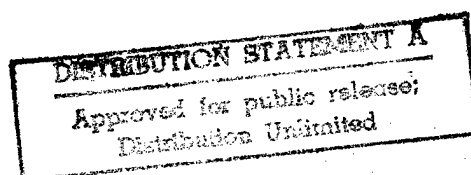


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Near East/South Asia Report

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26 February 1986

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SYRIAN PAPER PUBLISHES DOCUMENTS EXPOSING U.S. AGGRESSION

LD101548 Tripoli Voice of Greater Arab Homeland in Arabic 1251 GMT 10 Jan 86

[Voice of the Revolutionary Committees -- from the "Today's Report" program; report from Damascus by unidentified correspondent]

[Excerpt] The Syrian AL-THAWRAH newspaper has published 4 official U.S. documents which expose the aggressive intentions of the U.S. Administration and its involvement in the preparation for an armed attack against the Jamahiriyah.

The first document is a message from Nicolas Veliotis the U.S. ambassador in the Egyptian capital, to U.S. Senator (?Leopold Damatou) in which the U.S. ambassador urges the Pentagon to exploit the favorable conditions to spark a war between the Jamahiriyah and Egypt, because this war, according to the U.S. ambassador's allegations would topple the regime in the Jamahiriyah and bolster U.S. influence in the region.

The second document is a message from Senator (?Damatou) to U.S. Defense Secretary Caspar Weinberger enclosing the U.S. ambassador's message and urging the Defense Department to adopt the ambassador's views and exploit the opportunity to carry out an aggression by preparing to attack the Jamahiriyah by fabricating an incident on its eastern borders and portray this as a Libyan attack on Egypt which would prompt a counter attack from Egypt with the Israeli naval forces placed on alert alongside the U.S. forces for intervention.

The third document is a cable sent by the U.S. State Department stating that the conditions on Libya's eastern borders, in the area of al-Jaghhub might explode within the next few days and therefore all necessary security measures should be taken in addition to making contingency plans in the case of a blockade.

The fourth document consists of information provided the U.S. Administration to the Egyptian ambassador in Washington claiming that the Jamahiriyah has been preparing for a military action against Egypt and that the United States urges facing up to this alleged action.

The newspaper AL-THAWRAH has commented on these documents saying that they highlight one of the U.S. plans to launch an aggression against the Jamahiriyah and shows how the U.S. Administration has constantly worked to create pretexts and hatch intrigues for aggression.

AL-BA'TH newspaper, on the other hand, called on all Arabs to stand united to reply to the economic war and the dangerous escalation the United States has been perpetrating against the Jamahiriyah. It drew attention to the fact that this new terrorist operation is intended to crush the Arab nation and destroy any hope it might have for the liberation of its lands and the retrieval of its rights.

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CSO: 4400/92

REGIONAL AFFAIRS

SADDAM HUSAYN READY TO RESTORE TIES WITH SYRIA, LIBYA

LD051126 Kuwait KUNA in English 0830 GMT 5 Feb 86

[Text] Kuwait, Feb 5 (KUNA)--Iraqi President Saddam Husayn expressed optimism over the future of the Arab nation.

In an exclusive interview with daily AL-QABUS, published here Wednesday, Saddam said that he is ready to forget the past, concerning Iraq's relations with Syria, saying "if Syria expresses readiness to take one step toward us..then we will take one step (toward Syria)".

He noted, however, that he prefers that normalization of relations between Syria and Iraq to be achieved during the Iraq-Iran war rather than after it.

On Iraq's relations with Libya, the Iraqi president said "if Libya has the intention to reconsider its stance... then we are ready".

Iraq and Libya severed diplomatic ties last June when Libya and Iran, Iraq's foe, announced a strategic cooperation alliance between the two countries.

Meanwhile, Saddam praised the stance taken by Kuwaiti officials toward Iraq, and paid tribute to the amir and the Kuwaiti people.

The Iraqi president commented on his visit to Moscow by expressing satisfaction with the talks in Moscow, noting that this satisfaction is not due only to the Soviet arms supply to Iraq, but as a result of "political" understanding.

He added that his talks with Soviet officials centered mainly on major political topics in the region and global issues of mutual interest.

The Iraqi president ruled out a near breakout of an Israeli-Syrian war, saying there might be minor clashes to attract attention only.

On current efforts made to solve the Middle East conflict, Saddam said "the Western countries' hints of partial solutions, aim at keeping away the Soviet influence from the Middle East."

He said that he does not see any near solution to the Middle East crisis, because solutions need "force" on Israel and its allies to accept them.

REGIONAL AFFAIRS

GULF VIEWS ON OUTCOME OF GENEVA SUMMIT EXAMINED

London AL-TADAMUN in Arabic 30 Nov-6 Dec 85 p 15

[Article by Husayn Karim: "Gulf View on Geneva Summit: Pessimism Regarding Outcome and Apprehension Regarding Consequences"]

[Text] Riyadh--More than one diplomatic observer in Riyadh has dealt with the outcome of the Geneva summit with extreme caution. The warm handshakes and the smiles exchanged by the U.S. and Soviet presidents have not succeeded in alleviating Gulf apprehensions over the possibility of an occurrence of serious developments and events in the Middle East as part of a mutual Washington-Moscow deal whose price the Arabs will pay.

More than one Gulf source expressed to AL-TADAMUN its pessimism regarding the outcome produced by the Geneva summit, especially in the wake of Gorbachev's statement on the summit's lack of success in enhancing the hopes for peace. The Gulf capitals consider this statement an indication that international disagreements on regional issues, including the Middle East issue, remain unchanged.

An informed political source has given AL-TADAMUN what may be considered a Gulf analytical view of what Gorbachev said. Gorbachev's noting of the regional issues of the Middle East, Central America, and Africa and his failure to note Afghanistan specifically mean that disagreements between the two powers over these issues remain unchanged. They also mean that the United States has not made it easy at the Geneva summit for the Soviet Union to overcome the Afghanistan problem unless another regional understanding is reached. Washington wants this understanding to be on the specific issue of the Arab-Israeli conflict. The source added: The process of putting U.S. pressure on the Soviet Union was evident from the moment the Geneva meeting between Reagan and Gorbachev started. This was embodied in the air clash which took place between Israel and Syria. The political dimensions and background of this clash can be visualized in the speculation that at the moment Gorbachev told Reagan that the Soviet Union will not permit provocations against Syria, Israeli aircraft were underlining Reagan's immediate response on a regional issue that is not subject to political provocations by the Soviet Union.

This is why the Gulf circles' interest is currently focused on finding out the sort of move the Soviets, not the Americans, will make in the area

because it is this move, not the American one, that will make it possible to observe the possibilities toward which the area is approaching.

But some Gulf capitals believe that inasmuch as understanding the U.S. and Soviet strategies in the wake of the Geneva summit is necessary for understanding what will happen in the Middle East arena, it is wrong to imagine that understanding these two strategies is enough in itself to understand the course of events in the Gulf area. This is something which the Gulf Cooperation Council member states in general, and Saudi Arabia in particular, have been taking into account on the premise that the major powers often build their policy on the basis of internal figures. But adding up, dividing, or subtracting these figures produce the same result as long as the external given facts developing in the international political arena from time to time are what always transforms this figure into a winning number. What is interesting is that this figure is either Soviet or American, even though the results it leads to may be African, Asian, or Arab, depending on the events taking place in the circle chosen for the purpose. It is most likely that the considerations on which the Gulf circles have founded their apprehensions are strengthened by George Shultz' words: "We have discussed the Afghanistan issue in detail and a reference has been made to most of the other areas. This means that Reagan and Gorbachev have discussed the regional issues, each according to his interests. Afghanistan is an American card and Central America and the Middle East are the "jokers" which both the American player and the Soviet player are trying to get in order to negate the cards the other player holds.

But all these interpretations, clear as their political indications are, have not comforted the Gulf circles which believe that the failure to mention the Iraq-Iran war in the joint communique or in the joint U.S.-Soviet statements implies a tacit agreement on continuing this war.

In this regard, a well-informed source which defined to AL-TADAMUN the dimensions of the coming phase does not find it unlikely that an urgent Saudi movement will be launched along two axes:

The first will be with the U.S. administration to find out its position on a peaceful solution to the Middle East crisis and the Iraq-Iran war in the wake of the results achieved by the Geneva summit.

The second is to speed up steps to clear the Arab atmosphere before the consequences of the post-Geneva summit phase take the area by surprise, now that it has been proven that Israel has been able to utilize the U.S.-Soviet summit to strengthen Washington's conviction that it is beneficial to continue to have strong Israel facing the Arabs, in addition to the conviction of the new Soviet leadership regarding the benefits of resuming diplomatic relations with Tel Aviv and of opening the doors for the emigration of Soviet Jews to Israel. It has thus become obvious to the Gulf circles how much of a two-edge issue is the balancing process at a time when the Kremlin is supposed to move as far from Israel by as the same distance as the Arabs move closer to adopting the principle of balance in international relations. This will inevitably give rise to other indications for which the Gulf capitals are currently making a careful recalculation.

PROSPECTS OF FURTHER TIES BETWEEN GCC STATES, SOVIETS ANALYZED

London AL-TADAMUN in Arabic 30 Nov-6 Dec 85 pp 18-19

[Article: "After Announcement by Muscat and Abu Dhabi, Gulf-Soviet Relations Continue and Eyes Are Now Turned on Manama"]

[Text] London--Will Bahrain be the fourth GCC member state to exchange diplomatic representatives with the Soviet Union? This question was raised in the political and press circles of more than one Arab and non-Arab capital on the eve of the UAE's announcement of the establishment of full diplomatic relations with the Kremlin in the wake of a similar announcement by the Sultanate of Oman. Kuwait was the first to open the door for the Arab Gulf states.

The answer to the question raised concerning the fourth state and of whether it will be Bahrain, which is most likely, or another state will not be long in coming. According to a Western Diplomatic source in London, it seems that "the chain of the Gulf's opening up to Moscow started with Muscat and Abu Dhabi. The remaining capitals are Riyadh, Manama, and Doha and we have to wait a little to find out which of these capitals will be next."

Moreover, it seems that the announcement by the Sultanate of Oman and the UAE on the establishment of diplomatic relations with the Soviet Union came under different circumstances. The announcement by the sultanate came prior to the Muscat summit of the GCC rulers and the announcement by the UAE came a few days after the conclusion of this summit. However, those in the know say that the summit has no connection with these two decisions.

Gulf sources interviewed by AL-TADAMUN in London said that Bahrain will be the fourth state to announce diplomatic relations with the Soviet Union and that the Bahraini officials held bilateral consultations on this issue with the UAE officials during the Muscat summit, that the UAE decision came as a result of those consultations, and that this decision will be followed by a similar decision by Bahrain in the coming few days or weeks.

AL-TADAMUN asked the same Gulf sources: What are the dimensions and background of the UAE's decision, in particular, announcing the exchange of diplomatic representatives with Moscow? In reply, the sources gave a lengthy explanation saying that it is well known that the UAE officials, since independence and the announcement of their union on 2 December 1971, have had contacts and exchanged cables with the Soviet officials, especially

between UAE President Shaykh Zayid ibn Sultan Al Nuhayyan and then Soviet President Nikolay Podgorny. The two sides agreed at the time to establish diplomatic relations between their two countries. This agreement came 2 months after they exchanged cables immediately upon independence.

But the UAE then notified the Soviet Union that it wished, due to internal and regional circumstances, to postpone the announcement of relations and the Soviets understood those circumstances and reasons.

The same sources said that the delay in announcing a diplomatic exchange with the Soviet Union is also due to technical, political, and geographic reasons that can be summed up as follows:

Technically, the UAE did not have expert cadres on whose experience in international relations it could draw, especially since the British had withdrawn without paying any attention to opening schools to educate the area's citizens. The need to learn and to gain experience led to dispatching many of the citizens of the area known nowadays as the UAE to neighboring regions to gain a scientific and business education.

But the UAE is now witnessing the rise of a generation of citizens who are knowledgeable in the realities of international politics.

Politically, it may be said that the main reason for the postponement was embodied in the allegations disseminated by Westerners about the Soviet Union's ambitions in the area and on its oil and about the Soviets' ambition to get to the warm waters (the Red Sea, the Arab Gulf, the Arabian Sea, and the Mediterranean Sea). Moreover, the West was able to plant the fear of the spread of "atheism," especially since the area is the cradle of Islam.

Geographically, the Arab Gulf and its states are not beyond the Soviet Union's reach if the latter wishes to inflict harm on the area. Israeli aircraft, which have been able to raid Tunis, to hit the Iraqi nuclear reactor and to get to Uganda to rescue Israeli hostages, are not practically or scientifically better than Soviet technology and aircraft, which, if the Soviets so wish, can reach the Gulf easily.

Those knowledgeable in the course of events sum up the reasons that led to making this announcement at this time as the following:

1. The UAE has entered the Security Council.
2. The Soviet Union is a superpower that cannot be disregarded.
3. There are no fundamental political disagreements with the Soviet Union.
4. The Soviet Union has played a positive role vis-a-vis Arab causes.
5. The area's security makes it essential that the area establish relations and contacts with the two sides that control international relations.

6. The facts of international politics dictate that international relations be more of relations of interests than relations of principles.

AL-TADAMUN, moreover, asked the same Gulf sources about future Gulf relations with the Soviet Union and these sources said that there are signs indicating that Bahrain will be the fourth state to establish relations with the Soviet Union. Thus, only two GCC member states, namely the Kingdom of Saudi Arabia and Qatar, will remain without relations with the Soviet Union.

As for the Kingdom of Saudi Arabia, it was the first Gulf state to establish diplomatic relations with the Soviet Union. But those relations were severed a few years after the Bolshevik revolution. Qatar is still reluctant to establish relations with the Soviets. The Gulf sources concluded by saying that there is a general Gulf tendency toward a balance in the Gulf states' relations with the two superpowers. Within this tendency's scenario, Western Europe will have an important position, considering that Saudi Arabia and Qatar focus on good relations with Western Europe whereas the other GCC member states focus on good relations with Eastern Europe. We should keep in mind, however, that Saudi Arabia is not out of touch with the Soviet Union. Prince Sa'ud al-Faysal did visit Moscow as a member of the seven-member committee. Prince Faysal, the son of King Fahd ibn 'Abd-al-'Aziz, also visited Moscow at the head of an athletic delegation. This visit has been treated as a political event. This is in addition to the diplomatic meetings that take place between the two countries' ambassadors in London and Washington. Moreover, the Soviet consulate building in Jiddah is still present.

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CSO: 4404/152

NDP COMMENTARY ON POLITICAL CHALLENGES, PARTY PAPERS

Cairo MAYU in Arabic 6 Jan 86 p 1

[Commentary by Safwat al-Sharif: "1986: A Year Of Challenge"]

[Text] A new year began a few days ago. We received it in all faith, confidence, and determination to confront the challenges to the nation, the people and the party.

The nation. Egypt faces external challenges aimed at its historical progress on the path of exploration and leadership of the Arab nation, and at its steps along the road of development and democracy, which have begun to upset the being of the rulers and to shake the ground beneath the feet of the propagandists of the leaders in the East and the West. In 1985, Egypt suffered from continual installments of a terrorism drama, the authors, producers, and actors of which were foreign powers that agreed in aims and intentions. By comparison, internally, there was a scattering of thought and disappearance of vision. But the leader was captain of the situation. He dealt with the challenge, demonstrated ability, and rallied the people. The decision was courageous, the refusal clear, and the dignity and will of Egypt were heroic in 1985.

The people. Everyone bet against them, and everyone lost the bet, because the people know their own interest and cannot be deceived. The people know their past and their present. They take advice from the past and they correct their present, so they are able to face the challenges of the near and mid-term future. They aspire to development, democracy, and stability, to resist the enemies of the nation's affairs, whether they be foreign powers or an individual who foments these powers. The real challenge facing the people is always to affirm that they are the power and the source of all authority, and not to permit the voice of the minority to overwhelm their voice and take for itself, falsely, the right to express their feelings.

The challenge before the people is not to deviate from the path of building in every area, to maintain control of their ranks and their progress, to be guided rightly, because development is the road of deliverance from the problems of the past and the present, the problems of poverty, debt, prices, wages, crises, the shortfalls of currencies, the balance of income and expenditure, and improvement of services. The greatest challenge is the ability of the people to seize hold of greater awareness, because this will

stimulate them to exert every effort and to refuse to accept any hindrance. This awakening of the people surprised the enemies and pretenders, who began to slander them. Some became observers, because all of the elements of their undertaking were broken up and all of their designs for the future paralyzed. The challenge before the people is the course of democracy, to be or not to be. It will be, because there is a leader who believes in it and a constitution that preserves its principles. Therefore, the challenge is for us to reject every practice of oppression, agitation, and intellectual terrorism and for the people to reject dictatorship by the minority, because this is worse and more severe than dictatorship by the individual.

The party. The NDP is the party of the majority, which walks with the leadership of President Mubarak, a party whose movement and effectiveness has started to cause sleeplessness for the other parties that thought, at first, that they could wrest away part of the majority, or shake its bases. But reality proved completely the opposite whenever the NDP faced a challenge in 1985. The final months of the year saw wide and active party activity, political and organizational activity that began when the new government was formed from the headquarters of the NDP. Party selections and reorganizations continued, and the party demonstrated to all of its leaders, party cadres, and its youth in the governorates of Egypt that it has strength in confrontation and is able to resist the challenge to numerous national issues and positions. This causes increasing worry for the parties. This is a natural thing, and is not strange in the political process.

1986 will be a year of challenge for the party, because it represents the vanguard of the national forces in the confrontation, because it has the ability to achieve political stability and to confront every effort for control and assumption of guardianship in the name of democracy and every effort to deprive Egypt of its history, its leaders, the revolution of its people, and the gains of its workers and farmers. The NDP is a leader, a model for greater awareness. From here, then, 1986 is a year of party commitment, intellectual challenge, democracy of decision-making, and redoubling of the bursting forth of the party by all of its cadres.

If 1985 witnessed conflicts in the dialogues of the party newspapers, and a limited minority of their writers were bent on defaming, in image and fact, party newspapers by means of slander and false lies in a futile effort to defame their gift to the nation, then hope is great that these poisoned pens, which express the bankruptcy of their owners, will be dropped and fall silent. But the danger is that they will harm the party newspapers, which embrace good sons of the parties. How can the free pen exist next to abuse and defamation of every era, period, and person?

Certainly, a small number of pens have overstepped the limits of freedom of the press, and the party presses, which are the mark of democracy and the summit of the national dialogue, always have accusations of incitement hung on them. Therefore, 1986 is a year of challenge for the party newspapers, majority and opposition, so that it will be a year in which to raise the standard of dialogue and objectivity, because pens that do not

appreciate the value, sanctity, and trust of the word defame the democratic atmosphere. They inflame the soul and the heart and strike against freedom of the word in its most vital spot. Whoever wields a pen in the party newspapers has control over thought, and it is necessary that these pens be holy, their hearts pure, and that their souls know only the people's welfare. This is the challenge, that we be able, from within ourselves, to correct and prevent a chain reaction leading to the destruction of democracy and unjust acts in the name of freedom.

You see, perhaps, that 1986 will be a year for correction, work, and party coordination between the NDP and all of the political forces to increase awareness of the interest of the nation and preservation of higher national interests.

We hope for this and pray God to realize it.

12780/12899

CSO: 4504/158

AL-AHRAM LEADS DEBATE ON GREAT AWAKENING

Cairo AL-AHRAM in Arabic 29 Nov, 6 Dec 85

[Panel discussion led by Mahmud Murad: "Extensive Dialogue About Egyptian Great Awakening Issues; Agreements on Need to Achieve Objective"]

[29 Nov 85 p 11]

[Text] AL-AHRAM will open today a debate about a number of popular and vital issues contained in President Mubarak's speech which opened the new parliamentary session, a speech rightly considered as the constitution establishing the principles of the Egyptian great awakening which we ought not to regard with apathy. Rather we should contribute to its advancement with efforts that go beyond the customary in order to make up for lost time and catch up with the times, which are moving forward at an amazing speed, so as to build a happy home and have a better life in a society growing stronger and more youthful in body and more faithful and more committed in soul.

The participants are Engr Fu'ad Abu Zahglah, former minister of industry and chairman of the National Party's industry committee; Dr Fu'ad Mursi, former minister of supply; Dr 'Adil Jazarin, president of the Industrial Federation; Dr 'Abd-al-Raziq 'Abd-al-Fattah, former president of Hulwan University; Dr Raja' 'Abd-al-Rasul, director of the National Planning Institute; and Engr 'Abd-al-Wahhab al-Habbak, chief of the engineering industries agency. Mahmud Murad represented AL-AHRAM.

In this seminar, the dialogue dealt with an issue which may seem simple at first but is difficult to construct in its economic, social, and indeed political dimensions. This issue is mainly concentrated in how to achieve an abundant supply of high-quality, low-priced essential goods for the majority or, more specifically, for the toiling groups. This dialogue was conducted by six personalities who combine good judgment with experience and are of diverse orientations but who agree on one goal, which is the "national interest." Hence their consensus that Egypt can only be built by Egyptian hands and minds, as Husni Mubarak said, and that Egypt, the Egypt of the Egyptians, is able to overcome all obstacles and possess colossal energies which make the Egyptians stand out as a productive, capable, creative, and inventive people. The important thing is how to do it.

How can abundance, quality, and suitable prices be achieved?

To answer this question, the debate covered several aspects, based on the premise that no issue in society is detached from other issues.

Three sharply defined tendencies emerged:

One tendency was represented by Engr Fu'ad Abu Zaghlah and Dr 'Adil Jazarin. They looked at the issue from a technical angle based on the raw material which must be made available, the machinery which must be modernized and maintained, and the labor system whose statutes, primarily the incentive system, must be revised.

The second tendency was represented by Dr Fu'ad Mursi, who spoke from a political and social angle, demanding the cancellation of the open-door policy, which he blames for all mistakes, and proclaiming that the government, through its agencies and the public sector, bear full responsibility for development.

The third tendency was that of Dr 'Abd-al-Raziq 'Abd-al-Fattah, who demanded the creation of a body of experts to be the brains of society, to define the desired vision, and to re-examine sovereign laws.

As for Dr Raja 'Abd-al-Rasul, he linked the issue to other issues of national action while Engr 'Abd-al-Wahhab al-Habbak asked that the focus be on ways to attract investment via joint public sector-private sector projects, the local manufacture of machinery, and a reliance on local financing. With these tendencies, the dialogue started out calmly, but soon heated up with disagreements and with interruptions and stiff opposition. It had begun with a word from AL-AHRAM explaining the theme of the seminar, and then the door was opened.

Role of Production Triangle

Engr Fu'ad Abu Zaghlah: "This issue is very important in the next stage and is also linked to export. If we look at the economic unit, we find that the key elements of production are raw materials, machinery and equipment, and labor. To get to the seminar's theme, we must discuss several dimensions for producing high-quality goods. Therefore, raw materials, which are the first elements of production, must meet certain specifications and must be made available at the proper time. This leads us to the provision of hard currency and related things which are lacking in economic production units. Often the quality of raw materials is sacrificed because of unavailability, prices, or other reasons.

"After raw materials comes the importance of machinery and equipment, which must be suitable for production and technologically sophisticated. Here again we find the problem of choosing equipment and machinery according to trade relations with foreign markets and agreements with other nations.

"We move on now to labor, which operates the machinery and does the actual

production. This brings us to 'skilled labor,' 'dedication,' 'irresponsibility,' etc.

"Thus, and I speak from experience, the issue depends on good suitable raw materials, sophisticated machinery which must always be maintained and upgraded, and competent labor. These are the elements which, if made available, can lead to high rates of good-quality production which in turn leads to lower costs and, consequently, more reasonable prices. These three elements must be integrated. Now I would like to focus on labor's role and training. I see a need to revise the incentive system to ensure that it is not at the expense of production and lower costs. If this system is unleashed without any restraints, it may be at the expense of the machine or quality. Herein lies management's role, which is very important."

Government and Individual Responsibility

Dr Fu'ad Musa: "With due respect for what Engr Fu'ad Abu Zaghlah just said, I believe that production is not merely a technical issue but rather a social one. Therefore, the main question is: Under what circumstances is such production undertaken? I believe it must be undertaken in the shadow of the economic open-door policy, which is new to Egypt because its previous policy was planned economic development. The switch to the open-door policy means that the responsibility for development, both qualitative and quantitative, has shifted from the state to individuals, even non-Egyptian individuals. Consequently, we are facing a set policy in the shadow of which production is taking place. Today, after 10 years of this policy, we have to ask: What has it produced?

"We find in the official records a Shura Council report, from the summer of this year, which says that the result is 'a shrinking role by agriculture and the processing industries in generating local production, higher imports of food and other commodities, and greater reliance on the outside for food and processed and semi-processed goods.' In other words, the open-door policy has resulted in a slowdown in commodity production growth and a surge in the growth of services, the parasitical ones in particular! This prompted us to call it in the first stage consumption openness and, in the second, let us call it production.

"In my estimation, the open-door policy has failed to increase production, hence we are compelled to review it once again. I cite the Shura Council report regarding the fact that a large number of farmers are turning away from wheat growing because the government buys this crop at unprofitable prices."

Engr Fu'ad Abu Zaghlah: "A point of order is whether this falls within the seminar's theme and whether we are going to discuss these issues."

AL-AHRAM: "In the course of his discussion of the production issue, Dr Fu'ad mentioned specific examples and expressed his opinion. The door is open to opinions and counter opinions."

Dr Fu'ad Mursi: "This policy will not score any success in food production. In 1974 we imported 2 tons of wheat and, 10 years later, we are importing 8 tons, even though the population has not increased fourfold. This reveals a bad consumption pattern on our part, hence my demand for a reexamination of the open-door policy. I believe that it is necessary to review agricultural policy, beginning with a reexamination of basic crops such as wheat, corn, rice, and cotton, to make it rewarding for the farmer. It is unreasonable to import wheat at a price higher than what we pay the Egyptian farmer. With regard to industry, I bring up a basic issue, which is the state's and not the individual's, responsibility for development. There are two kinds of development which are not easy for individuals to tackle: land reclamation and cultivation and heavy industry.

"Moreover, mention has been made of a position whose main features were contained in two points that recently emerged in the businessmen's meeting in Alexandria. The first point was a call for selling the public sector, lock, stock, and barrel. I was surprised to read a statement by the minister of tourism, Fu'ad Sultan, published in the American WALL STREET JOURNAL, in which he said that nationalization must be eliminated gradually. This statement, which appeared in the 21 October issue, is a dangerous sign. I warn against this tendency because the public sector is basic and necessary and has established its position in history, and the October war established its importance and role.

"The second point is the call by some businessmen to repeal labor laws so as to allow businessmen to fire workers!

"These two points have emerged in the name of increased production, and they are dangerous."

AL-AHRAM: "Undoubtedly Dr Fu'ad Mursi has raised some important points, but we believe that the economic open-door policy has undergone several revisions in the last 4 years. Let us consider the agricultural policy. It is true that the farmers were being paid unprofitable prices, thus forcing them to shun certain crops. However, the prices of several crops, including wheat, corn, and sugarcane, have been raised, some to levels higher than the world prices. Furthermore, this same policy has achieved great production and its aim is to realize food self-sufficiency gradually. As for the public sector, declared government policy stipulates the preservation of the public sector as a mainstay for production and the economy. This is what officials say. As to what has been attributed to the minister of tourism, it does not represent official policy."

Engr Fu'ad Abu Zaghlal: "We, as a party and as a government, are eager not to touch the public sector. It will be supported and developed and we will at the same time give a chance to the private sector, the Egyptian in particular, at home and abroad, to take part in industrial and agricultural development. What the minister of tourism brought out was related to the field of tourism, which may pose difficulties for the public sector in running hotels and tourist facilities. State-owned hotels may be run by more

experienced foreign companies. However, this does not mean selling the public sector. This is out of the question."

Dr 'Adil Jazarin: "The truth is I completely disagree with Dr Fu'ad Mursi in his allegation that the open-door policy has led to a sharp decline in production. It was and still is a necessity, and development cannot be sustained with limited government resources only.

"But perhaps we find fault in the application of some aspects of the open-door policy when it opened the door to importation, thus creating strong competition for the local industry.

"As for production decline, it is due to three reasons. And, as Fu'ad Abu Ghazalah said, production has three basic factors: raw materials, machinery, and labor.

"With regard to raw materials, unfortunately we still depend to a large extent on imported machinery. This causes the assembly industries to expand and to delay their switch to actual industrialization and concentration on those industries that rely on raw materials available in Egypt. Consequently the burden of importation has grown considerably with increased growth and government burdens. Production units face difficulties in obtaining the foreign currency they need and the private sector may have better luck in this domain since it can buy free currency on the market. However, it also suffers from shortages in raw materials, which disrupt production and drive prices higher.

"I would like to say here that Eyypt has an awesome, yet untapped production capability which, if exploited, can double production.

"With regard to machinery, a large part of it has grown obsolete and investments do not enable it to be renewed. Consequently, production has declined and quality has gone down.

"As for labor, if raw materials and machinery are made available, the Egyptian worker has the ability to produce better quality than the foreign one, especially if he is paid appropriately and if obstacles are removed. But, unfortunately, this is not so and, as brother F'ad Abu Zahglah said, incentives have become a problem because companies tend to give them as a way of raising salaries. Most companies apply the system of group incentives without distinguishing between industrious and unproductive workers, thus creating a feeling of frustration among the competent. Incentives are paid out even when production stops because they are viewed as part of the salary!"

So That the State May Become an Example

"From the public-sector viewpoint, it can succeed if obstacles are removed. A simple example in the field of labor: salaries, promotions, and penalties are linked to standardized bylaws. If job reform is applied in the government, it is applied as well in the public sector. We find an incompetent worker being promoted while the competent one stays where he is!

"In the matter of penalties, for instance, is it reasonable for a board chairman, when he wants to issue a warning to a worker, to convene the board? Is this the board's job, or is it its job to make company policy?

"Add to that various forms of intervention in production unit business by watchdog agencies such as the Central Audit Office, the Administrative Watchdog Agency, and others, which make management afraid and hesitant to make decisions, and this affects production.

"Finally, I would like to reiterate that we have a huge production capability, but the important thing is to remove obstacles and restrictions and protect national industry. This impairs the open-door policy because it is possible to have national production, but it faces competition from importers who are flooding the Egyptian market!

"Regarding favoring national products, the government and its agencies must move in this direction. They must not buy from the outside what can be produced at home.

"The state must begin meeting its needs from Egyptian industry in order to set an example."

Dr Raja' 'Abd-al-Rasul: "To begin with, I agree with Dr Fu'ad Mursi that production is linked not only to the technological aspect but also to social behavior and procedure, first and foremost. It is a matter of producing not only low-quality products but also, if I may say so, low-quality labor, university graduates, and housing. Hence it is a social issue related to the attitude toward production itself and to work as a value.

"However, I disagree with Dr Fu'ad Mursi about the open-door policy because we blame it for things for which it is not responsible. We must say, in the interest of fairness, that when the open-door laws were enacted in 1974 they stipulated that exemptions should apply to projects included in the development plan. If these laws are not being enforced, this is another story."

Dr Fu'ad Mursi: "Following the enactment of this law, the then minister of planning, Dr Ibrahim Hilmi 'Abd-al-Rahman, stood before the People's Assembly and asked that this provision be dropped. The provision was indeed dropped and he said that he could not turn down an investment on the grounds that the project was not included in the plan!"

Production and Gains

Dr Raja' 'Abd-al-Rasul: "But we must not ignore the fact that the open-door policy has brought about positive achievements such as the huge oil discoveries. However, the issue is basically related to the attitude toward production and production ethics. Work values have vanished and production is no longer the only way to achieve social or economic gains. Other different concepts have prevailed. Furthermore, labor and other socialist laws have been misunderstood and misapplied, for no law permits a capitalist or a

socialist country to drop or neglect production at the expense of quality on the pretext of protecting the worker!

"This, of course, is in addition to the technical aspects and the choice of appropriate technologies. However, this falls within the scope of the general attitude and social behavior toward production. It explains the decline of once-famous industries such as the textile industry and the decline of some agricultural crops such as cotton, the quality of which has dropped for several reasons, including labor, wages, and growing costs.

"Moreover, all this is linked to price, credit, tax, and other policies which influence production quality, availability, and price."

Dr 'Abd-al-Raziq 'Abd-al-Fattah: "If we agree on the course, which is to raise production, we must study the main system of production, then the branches, then the sub-branches. In other words, the state, the factory or production unit, and the individual. How can we raise productivity at these levels?"

[6 Dec 85 p 11]

[Road to Abundant Production at Reasonable Prices Without Sacrificing Quality"]

[Text] AL-AHRAM seminar began last week with an extensive and uninterrupted dialogue among all views and tendencies about the great awakening issues raised by President Husni Mubarak in his important speech before the People's Assembly and the Shura Council, announcing, with the opening of the new parliamentary session, the principles and constitution of an Egyptian renaissance and not just an awakening, which is embarking on the future with a strong faith and chivalrous commitment. The dialogue began with the subject of quality products at reasonable prices. Today we conclude this debate without closing the door to comments. We shall be ready as of next week to discuss another issue.

As we demonstrated last week, the seminar's debates were divided into three main tendencies on achieving "an ample supply of basic commodities on the market at reasonable prices without sacrificing quality," specifically, as the president said in the great awakening speech at the opening of the new parliamentary session, for the toiling groups. The first part, which was published last Friday, included the first two tendencies:

1. Attention to the production triad, namely raw materials which must be made available; machinery which must be updated and maintained; and labor from the standpoint of revising pertinent laws and bylaws, beginning with incentives.
2. Abrogation of the economic open-door policy and government commitment to the state's role as the primary party responsible for development, particularly in the basic fields of heavy industry, land reclamation, and cultivation.

The third tendency, which we shall present and discuss today, calls for the creation of a body of judicious senior experts to act as "the brains of society" while revising the sovereign laws following a study of the main production system, then the branch and the sub-branch, namely the state, the factory or production unit, and the individual.

Before resuming the dialogue, we emphasize that the solution is not to put one tendency above another. It is to study all the tendencies and apply the best features of each one while taking into consideration other issues because it is neither right nor appropriate to deal with an issue in isolation from other issues and from the fabric of society and sovereign laws. In other words, this must be done in light of a political and intellectual vision of where we are and what we want, or under the guidance of a higher strategy which was rightly explained in the aforementioned presidential address which contained the principles and constitution of the Egyptian great awakening. Hence, we shall not be satisfied with being a detached spectator but must sincerely search for a role to perform as a contribution to the nation's civilizational progress.

We shall pick up where we left off.

Dr 'Abd-al-Raziq 'Abd-al-Fattah: "How can we raise production at the three levels: the state, the production unit, and the individual?"

To begin with, production that does not comply with specifications is totally unacceptable. Anyone who takes this course must be held accountable without mercy. As for raising production, let us begin with the individual. He must be educated and trained and must receive wages commensurate with his productivity, not the degree he carries. I warn here against the satanical unholy trinity we are following: the degree, the job based on the degree, and the salary based on the degree and the job. So long as this trinity is preserved, we will not achieve productivity. Indeed, this trinity poses a danger to education, production, and the future of the country!

"When we speak of the individual and his productivity, we speak of production rates and precision, the two factors that determine wages! Those who produce more should get more and those who produce with greater precision should get more.

"This is on the individual level, besides taking into consideration the human factor, for it is impossible to have a good level of productivity in the absence of a set of values and a general ethical standard such as respect for time, commitment to precision, and competence. Does it make any sense, for example, to have a skilled worker who cannot read a technical drawing?"

Board of Directors and Responsibility

"We get to the production unit. How do we raise productivity in the factory?"

"The entire board of directors must be completely responsible. If it achieves the desired goals, it can stay, but if it fails, it has to go. In all systems, the board is responsible for quality, research and development, maintenance, and so on. It must have all the necessary power so that the factory will not be run with the 'government interest' mentality. Therefore, I demand a comprehensive and radical reexamination of the laws governing society's movement.

"I focus on the board of directors because it bears the ultimate responsibility. It is the body which determines everything at the production unit within the framework of the general plan. If it is said that there is intervention in management, I say that if the board has any self-respect and notices intervention it cannot live with, it must resign.

"However, to raise individual and unit productivity, the general climate must be conducive to production. Herein lies the importance of this seminar in that it emits fresh air, which gives decisionmakers at all levels new ideas.

"This leads us to society or the state. Here we ask: What is the model of state production in Egypt?

"No one has approached this question! We always move in accordance with an individual's decision which has a 50 percent possibility of being wrong. This is a common fact about individual decisions. So can we guide society's destiny by this? Of course not! Therefore, society must reexamine its agencies to define for us 'the revolution's production model' which can realize the greatest returns and prosperity and the best human qualities. Is it in agriculture, industry, or what, keeping in mind that the higher the human production endeavor is, the more we are able to achieve true development? Also, we must heed basic components, refusing to accept turnkey factories so as not to be turned into mere operators without any thought to unraveling the 'technological bundle.' Turnkey deals kill the country.

"I believe that it is necessary to form a body to be 'the brains of society,' something lacking that is in our country."

AL-AHRAM: "Isn't this evident in some organizations such as the Specialized National Councils, the Shura Council, the Ministry of Planning, the Planning Institute, and the universities?"

Dr 'Abd-al-Raziq 'Abd-al-Fattah: "No, what I mean is that the proposed body be a part of the government structure which can be called to account and which views society from a total perspective and has a future vision on the basis of which it can make policies and propose ways for implementation."

Dr Fu'ad Mursi: "With regard to imports and imported goods, I support the idea of protecting national industry to the end. Indeed, I believe that a ban should be imposed on all goods which are produced locally. This is a basic issue. Opening the door to imports has left us with 250 million Egyptian pounds worth of unmoved fabrics, a disaster by any standard!

"We in Egypt can do miracles. An Egyptian is an Egyptian and the important thing is to provide him the capabilities and a climate.

"Another point is that I believe that we cannot entrust Egypt's development to foreigners because no one will build Egypt, as the president put it, except the Egyptian people.

"Third, with regard to incentives, they are in fact awarded without control because government and public-sector employees are an 'unfortunate lot' and therefore incentives are a compensation for poor pay! In other words, it is a lame solution management has devised while admitting to its bad efforts due to a lack of distinguishing between productive and unproductive employees. Therefore, I believe that the true solution is to reexamine the wage schedule, the price schedule, and the tax schedule, or all these schedules, as Dr Raja' 'Abd-al-Rasul said.

"Fourth, regardless of all allegations, the public sector, from its inception until now, has raised cadres considered to be a rare national human resource who, unfortunately, has been frittered away by going abroad or working for investment companies. This matter is related to the fiscal, economic, monetary, tax, and wage systems where the gap is very serious. Therefore, all this must be amended."

Patience and Stable Policies

Engr 'Abd-al-Wahhab al-Habbak: "I shall restrict myself to the application of the 'seminar's' theme to the engineering industries by virtue of my position in them and because they have been used by several countries as a launching pad for local production growth. Some countries have excelled in the engineering industries without possessing the production requirements. These countries have to import these requirements and raw materials.

"With respect to us in Egypt, in order to produce enough to meet our needs, we need a plan based on our capabilities and our circumstances, the most important of which is to have a considerable surplus of foreign currency which governs choice and movement. No matter how long-range this plan has to be, we must persevere and must have a stable economic policy. But what happened was that we initiated a plan in the sixties, then policies became divergant, and many of the engineering industries regressed. Now, in 1985, we are required to start again from zero, which is a waste of time and a loss. Therefore, I stress the need for stable policies in order to reap the benefits of the plan we draw up to produce the commodities we need.

"At this point I say we have to be patient. We may not get quality soon that is equal to foreign production where progress is moving ahead and production more profuse, thus allowing for development and renewal. If we are patient and if we accept and rely on Egyptian designs without imports, we can achieve development and quality.

"If we are to talk about appropriate prices, they depend on cost. The more limited the production is, the higher the cost is. Hence, our costs will be

high and our prices will be relatively high at first, but when markets increase in number, production will increase and costs and prices will go down.

"This requires not only patience and stable policies but also the protection of national industries from imports. Here I agree with Dr 'Abd-al-Raziq in rejecting the system of turnkey imports. We are capable of carrying out many projects locally."

Dr Fu'ad Abu Zaghlal: "We do in fact have huge capabilities which we must put to good use. One axiom is not to enter into new projects before completing and modernizing existing ones. This is what happened in the first 5-year Plan, whose industrial plan I had the honor of drawing up when I was minister of industry. I did not so much think about new projects as study and modernize the established ones. Frankly, industry was abandoned in the seventies and lagged behind in an unbelievable way due to a lack of investment in it. That is why we began drawing up a refitting and modernization policy on a scientific basis. We drew up programs with firm schedules that could achieve production in every unit. I said that these units must be free and have their own independent identities. But how could that be when they did not have a free hand in profits nor in investments nor in the use of their revenues? The chief of a production unit is completely powerless!

"I say it again that when we drew up the plan, we earmarked 40 percent, or 5.5 billion pounds, of industrial investments for refitting and modernization. This is an enormous amount appropriated for the first time for this purpose. At that time, the president asked that attention be immediately directed to the readymade garment industry for we are importing between \$30 million and \$40 million worth of readymade clothes from Far Eastern countries to the account of the project to clothe workers. The president thought it did not make sense to import such large amounts and asked that attention be directed to the readymade garment industry and so we did. The president visited the companies, thus initiating his field trips to witness good-quality new production and the world-famous Egyptian cotton began regaining its reputation.

Why Are They So Dedicated?

"Some examples of refitting and modernization are the renovations at the Hulwan factories in the 6-8 months, where machinery has been replaced and the number of workers in one hall dropped from 500 to 150 and expenses were cut 30 percent. This was in 1982 and we estimated that in 3 years we would achieve sufficiency in local production to meet the needs of clothing the workers through local production and satisfying local market needs. This has actually been fulfilled this year, 1985, and the project now depends totally on national production. A few years ago demand for our products was weak, but today it has picked up. We had 16 factories operating in this field and today we have 120.

"Therefore, we believe in the importance of machine maintenance and modernization, in addition to abundant good-quality raw materials which can raise production and lower costs and, consequently, prices.

"Thus, I speak from a practical point of view without going into theories and ideologies. What is being said about the open-door policy has been said over and over again and is unacceptable. We see the Soviet Union opening up and so are China, Romania, and other socialist and communist countries. Hence, production, good quality, and abundance of goods are determined by three elements: raw materials, machinery, and labor.

"Perhaps we should consider the area of labor, where there are many problems, including the drain in qualified personnel. For example, when I was president of the Hulwan Iron and Steel Company, we had 26,000 workers; 12,000 of the most qualified of whom left to work in Arab countries or were lured by open-door companies. Something like this causes a tremor in industry that is not easy to withstand.

"On the other hand, laws and bylaws must be revised and management must be granted power. For example, again when I was president of the Iron and Steel Company, one worker broke a 1,000-pound pair of shears causing a production line to stop operating. I ordered him out of the factory for good, but the chief of legal affairs came to me, saying that I had no power to do that and that the matter should be referred to the board of directors, meaning to call a meeting of the board. Instead of devoting its time to policymaking, the board had to look into a decision to suspend or punish a worker!

Does This Make Sense?

"Hence, we see the necessity of revising labor laws which is now under discussion. I think some serious steps will be adopted in this regard. Yesterday we discussed this in the National Party's industrial committee and discussions will be completed with specialists and with the minister of labor because this matter has a direct bearing on production and performance.

"I say this based on my visits to nations in the East and West where not one worker takes his eyes off the machine during his shift because all of them are very dedicated."

Dr 'Abd-al-Raziq 'Abd-al-Fattah: "This is due not only to the work system, but also to the laws and values in society as a whole."

Engr Fu'ad Abu Zaghlal: "All this is related to the seminar's theme: How do we raise production and furnish goods at reasonable prices without sacrificing quality? It is a very important matter which requires aggressive solutions in order to make better use of the available resources. I say that our productive capacity is three times greater than the present gross national product."

Attracting Reluctant Capital

Engr 'Abd-al-Wahhab al-Habbak: "Our current problem is looking for investments. The public sector has limited resources and therefore the reluctant private sector must be drawn in, but how?

"I propose the promotion of a joint sector, namely projects undertaken by both the private and the public sectors, because public-sector participation, albeit ever so slight, inspires confidence and attracts private-sector investments. If it goes in with 10 percent, the private sector will go in with 90 percent. In other words, if we were to allocate in the next 5-year plan 100 million pounds, for instance, for the public sector in investments in joint ventures, we could draw in huge investments from the private sector.

"Second, and with regard to cost which determines prices, a large part of the high cost is due to land and machine prices and foreign debt payments, which go up when foreign currency rates go up. Thus, it is necessary to start manufacturing machinery at home and depend on local, not foreign, financing."

Dr 'Abd-al-Raziq 'Abd-al-Fattah: "In this seminar we are not putting the public sector on trial, nor are we making excuses for it. We are discussing ways to increase production at the individual, factory, and state levels. There is no one solution to this. I cannot say that if we do this or that, our production will be such and such. There are many inter-connected factors, hence my opposition to presenting solutions to problems because decisions cannot be made on the basis of individual opinions. Production is a huge operation in which industrialists, economists, sociologists, politicians, and other participate. This is what prompts me to call for some sort of method, for organization, and for sovereign laws in order to find out why production stops, why workers desert, why the educational system does not produce competent people, why management does not have freedom of action, why there is a sense of irresponsibility, and why costs and prices go up. This is so that we may avoid all of this through sound scientific organization in order to raise the productivity of the individual, the unit, and the state."

Recommendations

The seminar ended and our conclusion is that it underscored the intertwined relationship between the various issues. As it was rightly said, the key is the laws that govern life in Egypt, together with the general cultural climate that molds a person's mind and emotions and sets in itself certain values. At one time, for example, work used to be demeaning and, at another time, it was a form of worship, a right, and an honor. Then, as a result of sudden changes, money, regardless of its source, became the value and the principle, even if it were illicit. Work receded as a value, being turned into a form of chicanery, machinations, and whispers in dark hallways.

Now, with the awakening, we go back to the old deep-rooted values which are tied to startling human and technological progress. More specifically, there is agreement on the necessity to start making decisions and implementing policies immediately with a view to:

1. Drawing up a short-term and long-term plan in all pertinent fields and adhering to the plan and providing the proper climate and capabilities for its implementation.

2. Linking the above to the availability of raw materials and machinery which must be maintained and modernized.
3. Reexamining the importation systems with a view to developing and protecting Egyptian production by refraining from importing goods that can be found locally and promoting national products. The government and its agencies must set an example by buying its needs from local production and refraining from importing turnkey factories, a practice which impedes Egyptian capabilities, turning us into operators rather than producers and innovators. This entails the need to concentrate on producing machinery and production means locally.
4. Relying on Egyptians, for with their minds, arms, and investments, they can build Egypt and solve the problems standing in their way.
5. Revising labor laws, with the intention not of doing away with labor rights and gains but rather of doing away with "irresponsibility," "truancy," "imprecision," and "slowness." Some examples are the institution of punishment and the adoption of rewards not by awarding incentives collectively, but by tying them to real production from the standpoint of productivity, quality, and precision.
6. Affording more attention to industry, which was neglected in the seventies, and offering it the necessary capabilities.
7. Freeing public-sector management and granting it wider powers and jurisdiction while holding it accountable for its adherence to and achievement of objectives.
8. Solving the wage problem to stop the drain of talent lured abroad or to investment companies after receiving training and gaining experience in government and the public sector.
9. Eliminating the satanical trinity which places value on a degree without regard to qualifications, making it a ticket to a job, a position, and a salary, even if it were at the expense of production and the proficiency of others who become very frustrated. The degree-job-wage trinity must be replaced with competence, experience, productivity, and precision.
10. Egyptian capabilities are enormous and can do miracles. The important thing is to have a climate conducive to production in society and in production units so that a person may unleash his talents and creativity without limitation.

12502/13167

CSO: 4504/115

FINANCIAL LEADER DISCUSSES DISHONEST INVESTMENT FIRMS

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Nov 85 p 78

[Article: "The Securities Organization President: 'We Pursue Dishonest Investment Firms and We Intend To Offer Bonds Abroad'"]

[Text] When an investment firm pays interest between 36 and 50 percent annually for funds which it collects, officials move immediately to investigate the matter; either these firms are fraudulent and their goal is collecting funds, liquidating them, and fleeing, or they realize very high gains which forces the state to define those gains and impose the appropriate tax. This is what happened recently in Egypt when officials moved to study this phenomenon, knowing that there are many fraudulent operations undertaken by many individuals and groups who collected millions and fled. Here is an interview on the subject with Dr Muhammad Hasan Fajj-al-Nur, president of the Securities Organization.

[Question] What is your opinion on the phenomenon of investment firms spreading in Egypt and the corruption which has been exposed?

[Answer] Such firms were established outside the law of banking and trust, especially the 19th article which stipulates prohibition of collecting funds by anyone other than banks accredited by the Central Bank. In spite of this, our organization has prepared a bill prohibiting depositing of funds or the advertising of such by any party in the country or abroad prior to obtaining permission from the Securities Organization. In case of violation, the accused will face a penalty of jail and a fine of not less than 5,000 and not more than 50,000 Egyptian pounds.

[Question] What does the new president of the Securities Organization think after 3 months of being in office?

[Answer] The first problem which faced us was the problem of corrupt firms which we are now addressing, for neglecting them means the loss of citizens' savings and it is odd that the relationship between the saver and the owner is a contractual one. That is, in case of the investor's death, he loses his money. Also, contract is unfavorable to the investor's interests in the courts. I would like to confirm that there is no project in Egypt that yields profits as high as 40 to 50 percent to investors, and we are now

encouraging investment firms to maintain a portfolio that is managed in a scientific and open manner, not in secret. This would insure the investor's security.

[Question] What about other new projects?

[Answer] We are now thinking of establishing investment clubs for the first time in Egypt, that is to say, a group would pay a certain amount of money to buy stocks that would realize an appropriate return by financial analysis and studying the budgets of companies. State policy is oriented toward encouraging investment and not merely collecting savings.

There are also development bonds which will be issued soon and realize an annual net gain of 15 percent, plus exemptions from inheritance and estate taxes which brings the net gain to close to 20 percent or even more.

[Question] But these bonds will be issued in dollars and you know very well the difference between the official price of the dollar (about 130 piasters) and the black market price (157 piasters). This means that, when making a purchase, the investor will lose the difference and that's a big difference.

[Answer] I can't run around following the dollar's price on the black market, and you know that the value of the dollar outside of Egypt is not worth anything [as published]. Since Egyptian civil law forbids the increase of the interest rate on bonds, there is a tendency to issue bonds abroad to be distributed and circulated within Egypt. This will give investors many options for investing their funds.

[Question] But some investors prefer to make particular kinds of investments according to the law of Islam.

[Answer] Is there anything better than bonds? Because return depends on the profits or losses of the enterprise, and there is no fixed interest, in addition to the privileges which the law gives to joint stock companies. Of these privileges, the most important are:

--That joint stock companies are not required by law to elect labor representatives to the board of directors. Likewise, they are not required to buy government bonds, and these companies are required to grant the workers 10 percent of their net gains instead of 25 percent.

--It has become possible for three persons to establish a joint stock company, but investment firms and limited corporations may be established by two partners.

--Joint stock companies are not responsible for awards and salaries received by the board of directors.

--The general assembly decides on the dispensation of reserves and allocations.

--Joint stock companies are exempt from dividend payments on stocks, within the limitations of exemption scheduled for interest on deposit. Likewise,

bonds are exempt on the same basis and 50 percent of the net gain of stocks and bonds is not subject to income tax, i.e., that which has already been distributed.

Development of the Market

[Question] What have you done to promote the securities market in Egypt?

[Answer] The American development corporation began implementing development of a computer system in the money market in Cairo and Alexandria, thereby linking them to information networks in the main international stock exchanges such as London, Paris, New York, Jordan, Kuwait and Southeast Asia, especially Singapore and Korea. The corporation now is concentrating on increasing the number of brokers, "financial mediators," and giving experienced brokers incentives to train new ones. We will arrange for new offices inside the stock exchange because of its proximity to banks which are located in the heart of the city. It has been decided to establish a unit of financial analysts which will be responsible for studying budgets and insuring their accuracy. It's worth mentioning that the law requires firms to present their budgets to the stock exchange for review.

13035/12899
CSO: 4504/127

CHANGES IN AGRICULTURAL REFORM LAW DISCUSSED

London AL-TADAMUN in Arabic 14 Dec 85 pp 27-28

[Article: "Egyptian Agricultural Reform Law Modified in Favor of Small Landowners"]

[Text] The Egyptian government is preparing to present a new bill to the People's Assembly to modify the agricultural reform law which is considered the first law enacted by the July revolution. The leadership of the revolution embarked on the battle for this cause 33 years ago against the large landowners and feudal lords in Egypt at that time. The new amendment to the agricultural reform law concentrates on the relationship between land owners and tenants in rural areas.

For more than 8 months now, National Democratic Party committees have been studying a group of proposals to amend this law and to reformulate landlord-tenant relationships in light of developments witnessed in Egyptian rural areas in recent years.

Recently, Dr 'Ali Lutfi, the Egyptian prime minister, stated in Alexandria that it is necessary to reconsider existing relations between agricultural landowners and tenants in rural areas, since this relationship became unstable, and the equilibrium between the interests of landowner and tenant was lost. It became unfair to the landlords, particularly the small ones, while favoring large leaseholders.

The number of small landowners in Egypt who own 5 feddan or less amounts to about 4.9 million, and a large percentage of these, especially those who left the rural areas and settled in the city, rent their lands to several farmers. Official figures show that the number of cash rental contracts in Egypt amount to 1,188,000, while partnership contracts amount to 110,000. This indicates that the proposed modification of the agricultural reform law will include relationships among about 3 million Egyptian citizens, half of whom are owners and the other half leaseholders.

Those calling for modification of agricultural reform law in order to reconsider the relationship between the owner and the leaseholder base their case on many developments witnessed by Egyptian society, especially in rural areas. On one hand, prices of agricultural crops have risen and are yielding large profits to those in farming (as tenants); whereas the owner's

profit has remained level and does not exceed 7 times the tax set by the agricultural reform law, in spite of the huge rise in prices experienced by Egypt during the last 10 years, which is not less than 300 percent. This brought about a decrease in the real value of the owner's profits derived from the leaseholder.

On the other hand, the prices of agricultural lands have risen at astronomical rates in Egypt in recent years. Thus, the owners of agricultural lands came to possess great fortunes. However, these fortunes were frozen, their owners unable to dispose of them or profit from them, because they could not find buyers for their lands, which do not yield sufficient return because the tenants receive most of the return.

At the same time, preceding years witnessed a phenomenon of tenants subleasing lands from other tenants who immigrated to the city or abroad for work.

The proposals also include granting the owner the right to convert a cash leasing contract to a farm leasing contract, i.e., sharing with the tenant the expenses of farming, then dividing the profit between themselves. Also included is the right of the owner [to expel] the leaseholder anytime he needs the land, provided he pays a proper compensation. Some suggest that this compensation should amount to approximately the value of 10 years' rent.

Moreover, the proposal includes terminating the rental contracts when the leaseholder dies in order to cancel the eternality of current rental contracts and granting the leaseholder a compensation of 10 years' rent if he voluntarily surrenders the land to the owner.

Although all opposition parties do not object to amending the agricultural reform law and reconsidering the regulations which govern the relationship between the owner and the leaseholder, they differ in supporting all of the proposals which the ruling party intends to present to the People's Assembly. The Wafd and Liberal parties support these proposals without reservation; whereas the Labor party demands a transitional period prior to terminating the current lease contracts or implementing the proposal concerning the right of the owner to expel the leaseholder from his land at any time. The Labor party also proposes that this period be about 6 years after modification of the law, and it agrees with raising the leasing value.

As for Grouping party, it warns of the tenant's lack of stability because that could harm the level of the agricultural production, and it agrees with the modification of the leasing value only after a careful study of the basic crop profits.

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SUEZ CANAL TRAFFIC PROBLEMS DISCUSSED

London AL-TADAMUN in Arabic 14 Dec 85 pp 30-31

[Article: "A Little Oil on the Surface of the Suez Canal"]

[Text] The Suez Canal is going through a critical period in which the shipping has decreased, especially oil tankers, and maintenance and operating expenses have increased. Then what is the extent of the problems which face one of the most important hard currency revenues in Egypt?

The scenery was attractive from the sixth floor of the Suez Canal Board building where a queue of ships was lined up from south to north. But this view did not reflect the disturbing reality and difficult period in which the Suez Canal lives at the present time. Revenues are low this year also because of the weakness of oil markets and continuation of the war in the Arab Gulf area as well as other reasons.

The vice chairman of the board, 'Abd-al-Rahman Muntazih, says that he is optimistic for the year 1986, when he expects shipping activity to resume. At the same time, those who run the Suez Canal look forward to improvements in profits by raising passage fees by 3.4 percent in the new year and to ascertaining that the passageway does not lose its competitive importance in the face of other means of transportation--such as pipelines.

One of the signs of the weakness of the oil shipping market is that, during the first 9 months of this year, the average number of tankers crossing (the Canal) decreased by 13.3 percent compared to the same period last year. The average volume of general shipping decreased by 3.5 percent. This made the average decrease of passage through the canal about 7 percent. Last year represented the first decline in the rate of passage through the canal (by 1.3 percent) since its reopening in 1975.

Canal revenues had been rising regularly since its reopening. Revenues amounted in 1980 to about \$676 million and reached a maximum of \$980 million in 1983.

'Abd-al-Rahman Muntazih blames the international demand for increased energy efficiency of ships, which is estimated at 58 percent, for the decline in the number of ships passing through the canal. Increased energy efficiency

in regard to giant tankers amounts to 111 percent. This means that most of the ships are either being used for storage or cruise at slow speed to save fuel and it means that they are prepared for longer voyages, so the time factor is no longer important; indeed, it is in the interest of the ships' owners that their ships spend longer periods in the high seas in the hope of rate changes.

In regard to passage fees, for which 'Abd-al-Rahman Muntaxih is considered to be responsible since he is the president of the fee levying committee, the international economic situation, development of the oil market, and the economy of the states whose ships pass through the canal are taken into account. The committee's attention was given to halting the decline in the use of the canal by oil tankers. That is why there was only a 2.7 percent increase in the fees for tankers crossing the canal in comparison with 3.8 percent for container ships and 3.9 percent for general shipping, and even a decrease for oil freighters whose volume is more than 85,000 metric tons.

The maximum volume for ships allowed to pass through the canal is 150,000 metric tons, which precludes the giant oil tankers unless they are empty. The biggest tanker that has crossed (the canal) to date was at 426,000 metric tons empty. Efforts are being made to expand the canal so that it may accommodate two lines of ships moving in opposite directions. But efforts to deepen the canal have been delayed because the expected profits from huge ships passing through do not cover the expenses.

The president of the canal board, Muhammad 'Abdil 'Izzat, looks forward to an active future for traffic beginning in 1986. One encouraging sign is the raising of oil exports by Saudi Arabia, especially from the Yanbu' port on the Red Sea, and the linking of the Iraqi and Saudi pipeline networks.

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AL-DUSTUR ON U.S. 'PROVOCATIONS' AGAINST LIBYA

JN270957 Amman AL-DUSTUR in Arabic 27 Jan 86 pp 1, 19

[Editorial: "The U.S. Provocations and the Possible Complications"]

[Text] The U.S. escalation against Libya brings forth real dangers from this excessive show of force and the hints at using it. This escalation also creates fears that are even more dangerous than the growing U.S. trend to abandon the political course and recklessly try to resolve disputes among countries and peoples which have fought for a long time to lay down frank and binding principles for solving such disputes in accordance with the bases and principles contained in the UN Charter.

Regardless of the consequences which may result from this serious U.S. provocation against Libya, and whether matters end in a big show of force of a possible military confrontation, the impression which the United States will leave in the region as well as in the entire world will not help to improve its position; will not strengthen its international interests; and will not increase its prestige as a superpower that shoulders big responsibilities toward the issues of security and peace in the region.

The obvious U.S. contempt of Libya and the other Arab countries which met in Morocco a few days ago and warned Washington of the dangers of following the logic of aggression, has encouraged the hawks in the U.S. Administration to proceed with this logic which does not take into consideration unexpected repercussions that may greatly harm U.S. interests in the region and push the region as well as the world toward unknown dangers.

We wonder if the political minds in that superpower are still capable of accurately calculating all possible results of these provocations which have drawn and are still drawing international reactions condemning and expressing fears about this sabre-rattling in the skies and seas of this explosive region in which the interests of many countries near and far are entangled. We believe that the provocative U.S. military maneuvers off the Libyan coast signify a return to the gunboat policy which is rejected by civilized nations and which has been replaced by the UN Charter and other agreements and law that organize relations among countries, and we do not doubt that arrogance and force will only deepen hostilities and add fuel to the fire burning in more than one spot in the Middle East. This will not serve the interests of the United States nor any of its announced objectives in this region. It will only result in unexpected international complications and an atmosphere of extremism and violence which no force on earth can curb or contain.

AL-DUSTUR WARNS OF IMPACT OF U.S. VETO ON MUSLIMS

JN310940 Amman AL-DUSTUR in Arabic 31 Jan 86 pp 1, 17

[Editorial: "Veto Against Al-Aqsa?"]

[Text] U.S. permanent UN representative Vernon Walters, who is currently visiting Israel, has threatened that his country will veto any resolution that may be adopted by the Security Council against Israel concerning the complaint submitted by some Islamic states against Israeli violations of the holy mosque.

The U.S. threat to use the veto on the subject of Al-Aqsa is an obvious encouragement of extreme right elements in Israel to continue their disturbances, murder threats, and provocations against worshippers in the mosque. It is also encouragement to continue Israel's plans to destroy Al-Aqsa and build a temple in its place. In fact, the U.S. stand is, in spirit and purport, completely in line with Israeli Industry Minister Ari'el Sharon's public statements that Israel's seizure of Al-Aqsa is only a question of time. Therefore, Walters' statement that the United States considers the recent incidents in the holy mosque as transient developments that do not reflect the official policy of the Israeli Government conflicts with reality. After all, Sharon is not just a Jewish demonstrator who came to provoke the Arabs on Al-Aqsa's grounds, but a minister in the Israeli Government who represents a bloc that is expected to assume the Israeli premiership in 8 months.

It has been the custom of the United States in recent years to use the veto to protect Israel from world condemnation of its violations of international law in the occupied territories. But using this right to protect Israel from condemnation for its desecration of Islamic places of worship in Jerusalem and Hebron will entail grave U.S. signals to the Islamic peoples that Washington now blesses Israel's plans to eliminate the Islamic holy places in Palestine. Is Washington aware of the consequences of openly defying the feelings of 700 million Muslims throughout the world? Has Washington asked itself if such stands help its campaign to check the fundamentalist Islamic current, or nurture hatred against the United States?

These are merely questions we are asking in the hope that they help Washington reconsider its stand.

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CSO: 4400/92

SAWT AL-SHA'B SUPPORTS LIBYA AGAINST U.S. MEASURES

JN311002 Amman SAWT Al-SHA'B in Arabic 31 Jan 86 p 1

[Editorial: "With Libya"]

[Text] The extraordinary meetings of the Arab League Council have begun to discuss the increasing U.S. threats and measures against Libya--land and people--amid Arab unanimity that condemns and denounces any attack against any Arab land, no matter how we differ with its political leadership and behavior. These meetings basically stem from a pan-Arab feeling and conscience and constitute a great phenomenon in our modern Arab history.

On this basis, and from the beginning of the Libyan-U.S. crisis, the stand has clearly been against any attempt to attack Arab land and against anyone who tries to violate its sanctity regardless of his justifications.

The U.S. claim that Libya is a shelter and base for terrorism does not justify any party's attacking this Arab country. And if the U.S. allies' refusal to follow the U.S. boycott and encircling of Libya despite all attempts, mediations, and methods of persuasion is proof of the weakness of the justifications for aggression and siege, then the Arab stand alongside Libya should be clear and frank and should not be like other stands represented by the war in the Gulf, Lebanon, and other issues.

In order not to defend Al-Qadhdhafi's Libya more than is required, in view of his practices against the sons of his nationality and his Arab people and specifically against us here in Jordan, pan-Arab duty and commitment require us to support Libya with all our material, human, and economic resources. The Libyan land and the Libyan people's resources are important and precious to us.

In view of this situation and in light of the discussions of the Arab League Council about the Libyan-U.S. issue, reality calls upon us to stress the need for these meetings to emerge with one Arab stand that would put an end to the hostile U.S. policy, the U.S. intimidation, and the desperate attempts to impose the U.S. will and policies on us. What happened to the Libyan assets and funds can easily affect the Arab funds that are resting in U.S. and European banks with a stroke of the pen and with a mean arbitrary measure.

It is time for Libya, and specifically for his excellency the colonel, to understand--and for the last time--that he cannot do without his nation or without Arab unanimity, because we cannot overlook what happened to Libya--regime, people, and land--which is a living example.

AL-DUSTUR ON U.S. CHANGE IN CONFERENCE STAND

JN200811 Amman AL-DUSTUR in Arabic 20 Dec 85 pp 1, 15

[Editorial: "The United States and the International Conference for Peace"]

[Text] If the statements attributed to a senior U.S. official yesterday about a change in the U.S. stand on an international conference for peace in the Middle East are true, then this constitutes, in our opinion, a positive development which will remove an insurmountable obstacle on the road to a political settlement of the Arab-Israeli conflict.

It should be pointed out here that His Majesty King Husayn was the first to call for an international conference out of Jordan's realization that an international framework is the only way to bring about a just, lasting peace in the region through the participation of the five permanent UN Security Council member states and the parties to the conflict in drafting a formula for a solution and in guaranteeing its implementation. When U.S. peace endeavors lagged recently, his majesty did not hesitate to announce that U.S. reservations about an international conference were among the difficulties obstructing the peace process.

It is noteworthy that most countries realized the wisdom implied in Jordan's call for an international conference and promptly supported it. Only Israel and the United States rejected it because of Israel's fear of facing international legitimacy and of exposing its inhuman practices against the Palestinian people and its disavowal of their legitimate basic rights.

Hence, what was attributed to a senior U.S. official yesterday in terms of supporting an international conference, if true, is considered U.S. conviction about the futility of Israeli endeavors to obstruct it and of the impossibility of achieving the desired peace without it. Moreover, it is no secret that Washington has become convinced that all its attempts in the peace process which were in accordance with the Israeli theory have ended in failure because this theory is based on excluding major parties from the peace process and is aimed at imposing the Israeli peace or the peace of fait accompli on the Arabs.

Perhaps the U.S. decision announced yesterday was influenced by the resolution the UN General Assembly adopted a few days ago supporting an international

conference for peace in the Middle East and entrusting the UN secretary general to take practical measures to convene one as soon as possible. We heard that Perez de Cuellar yesterday actually began to take the necessary measures to convene the conference. If our analysis in this regard is correct, all these developments may open the path to a just, comprehensive international solution to the region's crisis, which will save the Palestinian people from their suffering, regain their usurped rights, and spread the atmosphere of peace throughout the Middle East.

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CSO: 4400/92

SAWT AL-SHA'B ON U.S. STATEMENT ON CONFERENCE

JN201030 Amman SAWT AL-SHA'B in Arabic 20 Dec 85 pp 1, 15

[Editorial: "Impudent Shyness"]

[Text] The U.S. official's statement about an international conference for peace in the Middle East in accordance with U.S. conditions, which are ultimately Israeli conditions, defeats the idea behind this conference and returns the region to the state of no war and no peace and may eventually propose the possibility of war as an alternative to the Geneva option.

Both the Americans and Israelis accept the international conference in principle provided it is first preceded by restoration of Israeli-Soviet relations and provided that this conference will be a cover to justify the basic Israeli notion of separate Israeli-Jordanian, Syrian-Israeli, or Lebanese-Israeli negotiations, although such negotiations are rejected by Jordan, Syria, and Arabs because they will eventually be an introduction to relinquishment and loss of pan-Arab rights.

The Arabs have basically accepted the idea of an international conference, considering it an international will embodied by UN Resolution 338, as a framework for solving the Middle East conflict with the concurrence of concerned parties and with the participation of the UN Security Council permanent member states, including the Soviet Union. Accordingly the Geneva conference was held in 1974 although there were no Israeli-Soviet relations and although it did not lead to bilateral direct negotiations.

Therefore, and in light of these statements enveloped in deliberate political impudence which is characteristic of U.S. policy which considers the installation of Syrian missiles on Syrian territory a development obstructing the peace process at a time when the Zionist Air Force is continuing its daily belligerence in both Lebanese and Syrian skies. Nevertheless, the unidentified U.S. official does not consider these flights and obstruction to peace.

We understand from these statements that Washington does not want peace and that its peace--if it exists--is linked to the Zionist entity's security and revolves in its orbit. This has been confirmed by events. We also

understand that the Zionist peace is a contracted peace of open borders, normal relations, and "peace with our neighbors and a large-scale emigration" as wished by Ben-Gurion, whose peace allows for large-scale emigration so that Zionist ingenuity, coupled with Arab resources, would achieve the miracle of prosperity.

Finally we say that since we have not pinned any hopes on the international conference yet, we have a pan-Arab role to play as a last option. It is that of confronting a hostile Israeli war which is being secretly planned in Washington and Tel Aviv. This requires all to rise above differences and join arms in order to confront a fateful danger. The enemy wants land and peace together and all that Washington--Israel's pamperer--is proposing is only a cover for Israel's hostile objectives.

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AL-DUSTUR CRITICIZES SHULTZ' STATEMENTS ON PLO

JN190936 Amman AL-DUSTUR in Arabic 19 Dec 85 pp 1, 19

[Editorial: "Identical to a Point of Unity"]

[Text] The statement made by U.S. Secretary of State George Shultz in Belgrade yesterday at the end of his talks with the Yugoslav foreign minister accurately presents the truth of the U.S. stand toward bringing about peace in the Middle East and summarizes the U.S. policy toward this region.

Announcing from the Yugoslav capital that PLO recognition of UN Security Council Resolutions Nos. 242 and 338 will not be sufficient for holding U.S. contacts with it, not to mention recognition of the PLO, the U.S. secretary undermined one of the bases that have existed in the U.S. policy in the region since 1975 and removed the principle that the PLO's refusal to recognize these two UN resolutions obstructed peace efforts.

No U.S. official has ever announced, with such unprecedented diplomatic bluntness, that he is not seeking PLO recognition of the two famous UN resolutions, at the same time fully realizing that without the Palestinian element any possible peace process will not take place and without agreement by all parties on a basic foundation to solve the region's crisis, represented here by the two UN Security Council resolutions, there will be no peace or political settlement, which the United States has always claimed to be working for.

It is impossible to find even the minimum distinction between what George Shultz said yesterday and what was previously said by Menahem Begin and his successors in the Israeli Government regarding PLO recognition of these resolutions. Rather, Shultz expressed the traditional Israeli stand toward this issue more than he expressed the U.S. policy that we had always believed was endeavoring to achieve PLO acceptance of these two resolutions.

Such U.S. talk is new and significant and deserves maximum scrutiny and consideration, not with the aim of reiterating what has already been said about U.S. hostility to the Arabs, its lack of real desire for peace as well as its exaggerated bias to Israel, but in order to coordinate a

pan-Arab policy that is able to deal with such a blatant reversal in the U.S. stand and policy toward one of the most important factors in the cause of peace in the region, especially since this reversal comes at the hands of one of the U.S. state secretaries most hostile to the Arabs and stems from U.S. political considerations that cannot be differentiated from those of the Israeli stands which have yielded wars, expansion, and occupation as well as annexation, settlements, repression, deportation, and other practices that fill the record of aggressive Israel--a record that is full of evil and uncountable sins.

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CSO: 4400/92

JORDANIAN SOURCES ON RELATIONS WITH PLO, SYRIA, IRAQ

GF231854 Kuwait AL-SIYASAH in Arabic 22 Dec 85 pp 1, 22

[Nabil Ghazzawi report from Amman]

[Text] Referring to what was said recently about the issue of Jordanian-Syrian-Palestinian relations, Jordanian supreme political sources affirmed that the new Jordanian-Syrian understanding has not been and will not be at the expense of the Jordanian-Palestinian agreement--which was signed on 11 February 1985--and the PLO. They also said that the restoration of Jordanian-Syrian relations will certainly not be at the expense of the current relations between Jordan and Iraq, due to Jordan's firm belief that Iraq, in its fierce war against Iran, is carrying out a noble pan-Arab duty to ward off the threats against the entire Arab world in the face of the fierce assault by a non-Arab country designed to occupy Iraq and other Arab countries without exception.

In their statements to AL-SIYASAH in Amman, the Jordanian political sources pointed out that Jordan has affirmed its support to Iraq during the official visit made by His Royal Highness Crown Prince Hasan ibn Talal to the Iraqi capital last week and during his meeting with Iraqi President Saddam Husayn, who once again supported the stance adopted by His Majesty King Husayn of Jordan, and by the Jordanian Government and people toward Iraq and their support to the Iraqi Government and people in the war against Iran. Also, Prince Hasan affirmed Jordan's military support to Baghdad during his military tour of the Iraqi front in the areas of battle with Iran.

In their statements, the Jordanian sources repeated that basically, the Jordanian-Palestinian agreement is a part of the completion of a series of Arab Fes summit resolutions and that therefore this agreement is not an exit or an isolation from finding a solution to the Palestinian issue; it is a new means to push forward the peace process in the Middle East. Also the agreement received unanimous Arab blessing through the extraordinary Arab summit held recently in the Moroccan capital, Casablanca. The sources said that, therefore the 11 February agreement in Amman is similar to the Jordanian-Syrian agreement.

On whether His Majesty King Fahd ibn 'abd al-'aziz of Saudi Arabia will participate in the expected summit between his majesty King Husayn of Jordan

and Syrian President Hafiz al-Asad to uproot the problems of the two fraternal countries, the sources said that if His Majesty King Fahd participates in this summit, it will be very good indeed, but at the same time, the sources felt that the Saudi King would not participate in the summit of the Jordanian and Syrian leaders, in view of the Saudi role which made a big progress in destroying all obstacles in the way of the Jordanian-Syrian relations. This role resulted in the two meetings in the Saudi capital, Riyadh, between Jordanian Prime Minister Zayd al-Rifa'i and Syrian Prime Minister Dr 'abd al-Ra'uf al-Kasm.

The sources said that the date of the Jordanian king's visit to Damascus has not been fixed yet, and that the same is the case with Mr Yasir 'arafat's visit to the Jordanian capital. The follow-up circles expect that this visit will take place after the Jordanian king returns from his expected visit to Syria.

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CSO: 4400/92

JERUSALEM STAR EDITORIAL ON 29 JAN BORDER INCIDENT

JN300800 Amman THE JERUSALEM STAR in English 30 Jan-5 Feb 86 p 8

[Editorial: "Don't Blame Jordan"]

[Text] Israel's accusation on Wednesday of Jordan for the killing of two Israeli soldiers on the occupied West Bank by a Palestinian fighter is nothing but the same old song which has been on the air very often since Jordan and the Palestine Liberation Organization moved together towards achieving peace in the Middle East.

For this sort of attacks by the resistance forces none other than Israel is responsible as the attacks are the results of frustration and it would only continue spontaneously so long as the indigenous people are denied their right and homeland.

Jordan has always been at the fore-front for negotiations which could lead to a just and comprehensive peace. Its approach in this direction was evident from the day the Palestine National Council conference was allowed to be held in Amman and the subsequent 11 February accord.

The country's stand is therefore clear to the entire world that it wants peace in the region. Jordan's rapprochement with Syria and its close association with the Palestine Liberation Organization, the main parties of the Arab-Israeli conflict, have since been unpalatable to the Zionist. The intermittent accusation of Jordan of harboring Palestinian fighters and so on are the clear indications of Israeli bitter feelings.

The inertia experienced by the Israeli military machine since its withdrawal from Lebanon is prompting it to conquer Israel's neighbors. If it attacks Jordan then it will be a suicidal act as Jordan the peace loving country in the region would not alone and will defend its territory from further aggression.

Therefore, if the Arab land occupied in the past are returned then there won't be any attacks and all in the region could live in peace and prosperity.

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CSO: 4400/92

PAPER VIEWS INTER-CHRISTIAN CONFLICT

NC091147 Beirut AL-SAFIR in Arabic 8 Jan 86 pp 1, 9

[Excerpts] Our political editor writes: In Beirut, Damascus, and on the road between them, the talk is only of decisiveness: decisiveness of attitudes or decisiveness on the ground. The common factor is the tripartite agreement, that is, the national solution for Lebanon's crisis. The eyes of the speakers are on the clock, as if they were expecting something to happen before Saturday, the date set in principle for the 11th summit [between Lebanon and Syria]. This date is casting its shadows, whether they are negative or positive ones.

Some people are going beyond the details of eventualities to pose a specific question: Who will be victorious in the power struggle in the eastern area? The 3 contending parties are:

1. The president of the Republic and his supporters, that is, the Phalangist Party, or what is left of it; Camille Sham'un and his followers; some of the monastic orders and the Al-Kaslik group; and various independent Maronites. All these are described as having been harmed by the political role which the Lebanese Forces leaders, represented by Elie Hubayqah and his supporters, have monopolized or seized for themselves. Then there are those who oppose the Arab option (the Syrian one in particular), and could not really be considered as allies of President Amin al-Jumayyil.
2. The Lebanese Forces leadership, as represented by the person of Elie Hubayqah and the majority of the Executive Committee members. This majority numbers 9, as against 6 for the opposition. The signing of the agreement might have increased the number of supporters and reduced the number of those opposing it, who are led by Samir Ja'Ja'.
3. Samir Ja'Ja', who is still the Lebanese Forces' chief of staff although he has expressed his opposition to the tripartite agreement and to the Arab option right from the start. Openly defiant, he went so far as to confront Elie Hubayqah at Bkirki during the first Christian meeting on the eve of the signing of the agreement. Directly and indirectly, he continues to declare his opposition to this day, leaving others to draw the conclusion that this opposition might possibly turn into armed confrontation if he deems it necessary.

Samir Ja'Ja' is supported in principle of Karim Paqraduni, whom opponents among the Lebanese Forces leaders describe as the main inciter of the doctor [Samir Ja'Ja']. Ja'Ja's approach to politics is based on principles and ideals, and thus he makes many mistakes, although it might be accepted that these arise from his naivete and good intentions.

Paqraduni justifies his opposition by saying that he is concerned about democracy and anxious to prevent a split in Christian society which would fragment it and consequently lead to bloody fighting. Hubayqah's supporters, however, have accused him of sabotage and of acrobatic actions even in fateful issues. They insinuate that foreign powers are behind him, encouraging him to play his role of sabotage. They also claim that these powers originally entrusted him with the task of manipulating Samir Ja'Ja and exploiting his political naivete, his inclination toward extremism, and his hostility to the Arabs in general and to a unified Lebanese society embracing both Muslims and Christians, in particular.

Where will this state of affairs between Hubayqah and Ja'Ja' lead?

Everyone agrees that the situation between them must be resolved regardless of the cost.

Sources close to Hubayqah say that a dialogue took place between him and Karim Paqraduni last Wednesday, 24 hours after the Nahr al-Mawt incident. These sources describe the matter as follows:

Hubayqah had learned that Paqraduni accompanied Ja'Ja' on visits to George Qassis and Sami Khuwayri, saying that the visits were "to prevent Christian infighting." In view of this, Hubayqah summoned Paqraduni and spoke to him along the following lines:

"Patience has its limits. You have gone beyond all limits. I have observed the democratic rules in my conduct so far. I have respected the institution and safeguarded the collective command. You, however, have deviated from this. I am therefore entitled to act in such a way as to defend the 'forces' safety and unity. You have deviated from the Executive Committee's decision, which was supported by a majority of votes. A campaign of defamation against the tripartite agreement and against me personally has been launched. You know that the agreement is our only way to end the war and move to an era of peace. You have met with our foes and coordinated with some of them. Despite your attitude, oh, Karim, we welcomed you as a member of the delegation which went to Damascus to sign the agreement. We gave you a last chance to reconsider your position. We intervened to restore your ties with the Syrian leadership. To do this we had to insist that the Syrian leaders receive you and overlook your attitude toward them. What was the result?

"We returned from Damascus to be faced with a statement which Samir Ja'Ja' made after visiting Camille Sham'un. In this statement, Ja'Ja' attacked the agreement and defamed us. Even more seriously, he stirred up the Army against us. You then held a news conference and saw fit to oppose the agreement.

"After the assassination attempt, instead of conducting yourselves in accordance with your responsibilities as head of the information department and chief of staff respectively, you and Samir Ja'Ja' went to the party which tried to assassinate us as if you were a third neutral party. You even spoke about the possible use of the Army as a decisive force [quwwat fasl].

"I have so far avoided resolving matters because I do not want to be accused of spilling Christian blood. I have so far avoided embarking on anything similar to the events in Al-Safrah or Ihdin. I have tried to find solutions through a democratic dialogue and through our commitment to the option which we adopted and agreed to follow through to its logical conclusion. I decided nothing alone. During the negotiations, I always referred back to the Executive Committee and I was eager to hear your views and those of Samir on every clause and line. After the amendments we proposed had been accepted, it was natural that we should go to sign the agreement. In this issue there is no room for maneuvers or tactics.

"You went further. You produced an edition of AL-MASIRAH magazine which from cover to cover was hostile to our greatest achievement--the agreement. You made the title on the cover read 'agreement on Nahr al-Mawt.' You presented it as an agreement against the Christians besieged between Nahr al-Mawt and Al-Madfun.

"This logic is a shrewder and craftier assassination attempt than the first one against my person, our organization, and political credibility. This is a magazine which is published by 'the forces' and which is supposed to express their views. You know that this is not the view of the 'forces'. not at least of their political wing.

Elie Hubayqah ended by issuing a clear warning. He said: "Your stand can be described as a declaration of war, at the very least. All right, but you have to take the consequences. You know that I am not the type to flee from war. I am warning both of you so that neither can say that I betrayed you. Let each one bear the responsibility for his actions. You want war, so be it. Let it be known that this will not make me go back in the smallest degree on what I have committed myself to. Nor will it make me reach a truce [muhadanah] with Amin al-Jumayyil, who tried to kill the agreement through the attempt to kill me even before the ink was dry on the agreement."

Hubayqah also touched on what he was as basic shortcomings in the Lebanese Forces' media in general, as directed by Paqradi. He said that he would personally intervene if necessary with regard to the Voice of Lebanon radio, the Lebanese Forces television station, and the AL-'AMAL newspaper, to ensure that they all reflect the Lebanese Forces' line and policy as embodied and defined in the tripartite agreement.

Ja'Ja' Makes his Move

Thus it is on the cards that the internal struggle within the Lebanese Forces will be resolved; only the timing remains to be decided.

There are reports that Ja'Ja' has been working during the past 48 hours to gain control of barracks belonging to the Lebanese Forces' security apparatus, that is to say, to Elie Hubayqah. They are the Adonis, Juniyah, and Upper Kasrawan barracks. Ja'Ja' sources say that he is now in control of Kasrawan and of the logistics routes used by the Lebanese Forces. Nahr al-Kalb tunnel, together with the Jubayl area, are also now said to be under his control.

These sources add that gunmen affiliated to 'Id Nasr have now taken over most of Al-Matn, with the support of George Qassis and Sami Khuwayri.

In Al-Ashrafiyah, where Elie Hubayqah continues to exercise control, clashes took place yesterday in the port area. Later, Phalange sources said that the centrists, that is, those loyal to Amin al-Jumayyil, had taken over the area and seized the headquarters of the Sunabru Company. This is the main center on the fifth pier, and a source of income for the Lebanese Forces.

Those close to Ja'Ja' stress that there is no danger of bloodshed because everyone is aware of what might happen militarily and politically. Hubayqah's sources, however, hold his opponents responsible for possible future events and say: "Let those who refuse to end the state of war bear the responsibility for any evacuations, shelling, and afflictions resulting from the continuation of the present situation or its exacerbation."

With regard to the media, it has been reported that Ja'Ja' has taken direct control of the Lebanese Forces' LBC television and that he has started to coordinate with the Presidential Palace on news reports. It has been observed that newscasts are leading with items about the president of the republic, and that the station's correspondent Dolly Sabbagh filmed President al-Jumayyil receiving foreign ambassadors in the Presidential Palace.

There were also developments on channel 11, including a report that Jack Wakim, who is considered to be a palace man, had been removed and Ilyas al-Zughbi, who is close to Hubayqah, appointed chief editor of the news.

Radio Free Lebanon has been under Ja'Ja's control for a week. He has appointed 'Afif Malkun, who is close to him, in place of Kamal al-Shartuni, who supports Saj'an al-Qazzi and hence Hubayqah.

Nabil 'Awn, the director of the Voice of Lebanon station who was appointed by Karim Paqraduni, is still there, awaiting developments.

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AL-RA'Y COMMENTS ON ISRAELI 'STRATEGY' FOR AFRICA

JN200945 Amman AL-RA'Y in Arabic 20 Dec 85 p 1

[Editorial: "Return of the Israeli Octopus to Africa"]

[Text] Israel is exerting its utmost efforts to regain positions in the African Continent positions into which Israel infiltrated in the 1950's and 1960's and from which it was expelled during the October war in 1973 when the Arab situation was at the height of its strength and cohesion. Thus, the resumption of relations between Israel and Iserra Leone [as published] is a step in this serious direction, which means the return of the Israeli octopus to the virgin continent, as well as the extension of Israeli fingers once again to the uranium mines to obtain more of the basic material for its nuclear reactors. Moreover, the Israeli return to Africa is considered an attempt to encircle Arabs from their African lines. This operation is no less dangerous than the Israeli invasion of Lebanon and all other Israeli practices in the occupied territories, especially since it is coupled with the renewal of the suspect presence of the Israeli military establishment and its intelligence organs there.

It goes without saying that this return and presence will create dangerous bases for poisoning and striking at Arab-African relations, for fabricating problems inside the African Continent itself to divide its peoples, and for fomenting differences among African countries, because this outcome is the core of the Israeli strategy toward this continent.

Therefore, Arabs are urged to move quickly to foil the Israeli octopus and protect their rear lines in Africa by holding expanded contacts with targeted African states and alerting them to the danger posed to them, especially since several states had unforgettable experiences from which they suffered greatly during the Israeli presence on their territory 2 decades ago.

Undoubtedly, the Arabs' prompt creation of a new situation dominated by real solidarity will support their efforts in Africa and help these efforts receive a positive response because a strong Arab situation is capable of confronting the new Israeli expansion in Africa. Likewise, it should be recalled that inter-Arab differences are the large gate which will give Israel easier access inside Africa.

Hence, it is clear that preventing the Israeli octopus from returning to Africa is both a pan-Arab and cultural responsibility to preserve the purity of the continent. Perhaps the Arabs will shoulder this responsibility without delay to defend both Arab and African interests and to keep the African Continent safe from the evil Israeli hegemony.

JORDANIAN WRITER COMMENTS ON NATIONAL ECONOMY

JN191916 Amman AL-RA'Y in Arabic 16 Dec 85 p 6

[Hani al-Sa'udi article: "Headings in the 1986 Budget Bill"]

[Text] As readers, we cannot be neutral. We read and interpret what we read in accordance with our cultural, economic, and social background. The factors on which we base our interpretations are not purely academic; they are a mixture of theoretical and practical factors. One of the factors is that the Jordanian economy is not the simple economy that prevailed 20 years ago. It is a complex economy and is subject to good or bad economic or financial policies. Governmental and paragonovernmental spending has the greatest effect on increasing or decreasing general income and on distributing it. This income may be the lot of the majority or the minority in the society subject to the way in which public expenditure is organized. Therefore, the state's general budget and the semigeneral budgets attached to it are the main tools of economic and social changes. In accordance with our economic and cultural considerations, we must use the budget to meet the dire needs of the majority--the needs of housing, health, science, and culture--that is, in improving the material, social, and cultural standards of the majority. Eighty percent of our families are living below the average standard, that is below the poverty line according to a recent Planning Ministry report.

We read that foreign loans as well as foreign economic and technical assistance amount to 98 million dinars. They are used in capital expenditure. Debts and interest amount to 86 million dinars. Therefore, the real amount of loans and assistance is only 12 million dinars. Thus we must be strict in spending the loans and foreign assistance. They must be invested in economically and socially feasible projects so that in the future we will not have to repay debts and interest that exceed the loans and assistance we receive.

We read that government expenditure for 1986 is 12 percent more than in 1985, that is, 105 million dinars more. This is better since, for each dinar spent, general income will increase by 4 dinars. [sentence as published] On the other hand, we find that taxes and custom duties increased by 15 percent, or 64 million dinars, which makes the real expenditure only 5 percent or 41 million dinars.

In our opinion, there should be reduction, and not increase, in local taxes and custom duties. This can be realized by introducing basic reforms of the income tax law, making the progressive tax a fixed one, and reducing custom duties on local products and commodities in a noticeable manner. This will help create a growing national capital that will reduce loans, increase general and individual income, and hence provide a good source of taxes and duties for the government.

We read that Arab and foreign aid for this year reached 253 million dinars, that is, an increase of 58 million dinars over last year's aid. This is a good, acceptable, and useful thing. This aid is necessary for our country. We hope this aid will increase in the future. The important thing on our side is to employ this aid and to take advantage of it whether large or small or whether we receive it in years of stagnation or prosperity, in time of prosperity or difficulty. This is related to controlling and rationing government expenditure in general.

Expenditure on purchasing official vehicles for 1986 reaches 2,293,000 dinars in the government budget alone, excluding the various establishments affiliated with the government. These vehicles may be necessary for official use. We cannot decrease their allocations in the budget. However, the correct way to control this kind of expenditure is by imposing customs fees on the vehicles. It seems as if we are transferring fees from the treasury's left pocket to the right. But the reality is different. Every official department has its own limited budget burdened by paying heavy fees. This situation makes the department lean more toward economizing its purchase of vehicles and toward better exploitation of the vehicles it owns. We believe that customs fees should be applied on all materials imported by official consumer departments and markets. This is the only method to limit expenditure and official consumption of imported commodities and to direct the official departments and markets to consume locally produced commodities.

The expenditure on vehicles is one of many articles that should be rationed and controlled. Travel and transportation allocations in the budget reach 5,654,000 dinars. Requirements allocations reach 13,565,000 dinars. There are also other articles on unproductive expenditure.

The government did well by presenting an annex to the budget containing the budgets of various general establishments that are financially and administratively independent. We hope this is a step toward bringing these budgets under the supervision of the parliament, under real control by the Ministry of Planning, and under review by the accountancy department. The income of these establishments is from foreign and local loans and from the 43 million dinars with which the government budget supports them this year. The expenditure of these establishments is about 500 million dinars, that is, half of the government expenditure.

We notice that the expenditure of these establishments in the past was ineffective, if not wasteful. The universities' expenditure on building libraries and grand halls was more than on establishing teaching buildings or on professors and instructors. One establishment built a 7 million dinar hotel, according to the accountancy department's report, as a residence for its employees and guests while existing hotels are half empty. Another establishment purchased a 1 million dinar boat for tourism which nobody is using. Another establishment wasted millions on a big housing project without any economic justification.

Effective political and financial control over the administration of these independent establishments is necessary.

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IZVESTIYA OFFICIAL'S AMMAN PRESS CONFERENCE REPORTED

JN271110 Amman SAWT AL-SHA'B in Arabic 27 Jan 86 pp 1, 18

[By Therese Haddad]

[Excerpts] A Soviet official currently visiting Jordan has explained that Moscow calls for taking some steps before holding an international conference for peace in the Middle East. During a press conference held in the Soviet cultural center in Amman yesterday evening, (Konstantin Givadov), editor in chief of the newspaper IZVESTIYA, organ of the USSR Supreme Soviet, said that these steps include forming committees to discuss the issues and disputes between the disputing sides, between Syria and Israel, Jordan and Israel, and between Lebanon and Israel. These steps will eventually lead the disputing sides to the negotiations table under an international umbrella with the participation of all the major sides to the conflict, including the PLO, in addition to the two superpowers and other UN Security Council permanent member states.

(Givadov) added that both Jordan and the PLO must participate in the peace negotiations with two independent delegations. He said that this is a direct process for formulating agreements and solutions which will be provided by international guarantees. He said that as a party to the international conference, the USSR is prepared to guarantee these agreements and solutions along with the United States.

(Givadov) explained that the USSR concept of a settlement means that all the peoples of the region have the right to live in peace in accordance with international guarantees which keep the specter of war from the region.

On U.S.-Soviet relations, (Givadov) said that during the superpower Geneva summit all regional problems of interest to Gorbachev and Reagan, headed by the Middle East problem, were reviewed. It was affirmed that solving this 40-year old problem and conflict cannot be achieved without solving the regional issues related to it, including the Lebanon issue, the Gulf war, and Afghanistan. This is because the two superpowers are connected with these disputes in light of their strategic interests. As the United States has interests in the Middle East, the Soviet Union has interests as well, in view of neighborliness and Arab friendships. Hence, we are intensifying our contacts and efforts to solve the dispute in the region to achieve a just, comprehensive peace.

On the Soviet view regarding a solution to the crisis in the region, (Givadov) said that the USSR rejects the current escalation of the situation in the region, particularly the U.S. threats against Libya. He said that the United States has no right to interfere in the internal affairs of Libya or any other sovereign Arab Country under the pretext that this regime is not admired by the Americans.

As for the Iraq-Iran war, he said that the Soviet Union expressed its position on this war from its beginning. The USSR is against this destructive war and has launched more than one international initiative to stop it. Iraq responded to these initiatives but the Iranians did not. This war has weakened Arab power and kept Iraq away from the major cause of the current conflict in the region.

On what some news agencies have reported on the idea of resuming diplomatic relations between the Soviet Union and the Zionist entity, (Givadov) said: The USSR stand has not and will not change so long as the Israelis occupy Arab territories. The Americans, Israelis, and the world know of this stand. So long as things do not change, the USSR stand will remain unchanged.

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BRIEFS

ECONOMIC MAGAZINE TO BE PUBLISHED--Amman, 20 Jan--PETRAO--The Council of Ministers has granted a license for the publication of an economic and social weekly magazine, AL-WIFAQ al-'ARABI [Arab detente]. The first edition of the magazine will be issued next month. [Text] [Amman PETRA-JNA in Arabic 0920 GMT 20 Jan 86 JN] 12624

JORDAN'S PHOSPHATE RESERVES--Amman--Wasif 'Azar, director general of the Jordanian Phosphate Mines Company, has said that phosphate reserves in explored areas are estimated at about 1.6 billion tons and this quantity could be increased several times if accurate explorations were carried out in all Jordanian areas. 'Azar added that production would be increased by exploiting the raw phosphates at Al-Shidiyah which lies approximately 50 km southeast of Ma'an and 120 km northeast of Aqaba and where phosphate reserves are estimated at about 1.2 billion tons. He explained that taking into account these results and the requirements of the world market, production in the Al-Shidiyah area is expected to begin during 1988-89 with an initial production of about 3 million tons annually which will gradually be increased to 9 million tons by the year 2000. [Excerpts] [Amman SAWT AL-SHA'B in Arabic 23 Jan 86] 12624

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MUSLIM FIGHTERS AROUND SIDON DISCUSS CURRENT SITUATION

Doha AL-'ARAB in Arabic 10 Dec 85 p 5

[Article in the column "Letter From Beirut": "Field Tour and Conversation With Fighters on the Kafr Falus--'Ayn al-Mir Line, Impressive Steadfastness While Awaiting the Political Decision to Overrun the [Israeli] Client Lahd's Positions, Temperature of the Military Situation Governed by the Barometer of the Political Situation"]

[Text] Beirut (special to AL-'ARAB)--Recently, optimistic signs that the Lebanese situation might be on the road to solution appeared. A glimmer of light shone on the horizon. However, roadblocks soon arose; the light was extinguished, and darkness reigned once more. Why? Who is standing behind the scenes and obstructing the process of reconciliation?

Certainly, the parties with grievances are many, both at home and abroad. There are America and Israel. At home, there are certain forces that have become virtual extensions of Israel and America. In both directions, the enemy is one.

According to what is rumored in political circles, the situation in the south, especially in the Jazzin area, was one of the important and main reasons that led to obstruction of the political situation and to the halting of the three-party agreement. This occurred when Israel once again began to raise its head through its clients, especially through the Jazzin "window." A sign of this was the heating up of the Kafr Falus--'Ayn al-Mir line of contact again, the summoning of more militia elements, and their being supplied with tanks and heavy weapons. The militias, with the Israeli enemy behind them, try to explode this thunderbolt whenever signs of an end to the Lebanese crisis appear. Thus, the Kafr Falus--'Ayn al-Mir front came to the fore just before the solidification of the three-party agreement.

Tour Along the Firing Line

In light of this atmosphere, AL-'ARAB toured Sidon, met officials and leaders there, and was able with their assistance to travel to the Kafr Faluss'Ayn al-Mir front to learn at close range what is going on in the area.

Mustafa Sa'd, general secretary of the Popular Nasirite Organization, facilitating matters for us by giving us "an important permit" carrying his

signature. So we set out for the front. Until that time, the matter was easy for us, almost normal. After a quarter of an hour, however, we arrived at the first checkpoint of the Popular Nasirite Liberation Army in the al-Salihiyah area. The checkpoint stopped us and asked us to get out of the car. We were asked where we were going. We said simply, "To Kafr Falus." The young man laughed and said, "Do you think you are going to a recreation area? Kafr Falus is a battlefield exposed to shelling at any moment." We insisted on going. The young man then said, "Leave the car here, and I will take you in a military vehicle, since the roads are rough, military roads, not civilian ones." We climbed in with him and completed our journey, beginning from al-Salihiyah. After the checkpoint, destruction and devastation began to appear. We began to ask questions of Nidal, the deputy military official, and he in turn began to answer.

[Question] When was this military road opened?

[Answer] Since 28 April, after the National Forces descended on the coastal road.

[Question] How does the situation look now?

[Answer] The situation is very bad--especially last week, when it was announced that the three-party agreement would soon be signed, and we heard that Israel and its client, Lahd, were getting ready for an attack or a new sweep.

[Question] What did you do after hearing that?

[Answer] We took all the necessary precautions. For a full week we lived in a state of maximum mobilization.

[Question] Were there attempts by Lahd's forces to attack?

[Answer] No, though we were ready to resist.

After al-Salihiyah, we arrived in the area of al-Nuquzi. Nidal was talking. At times we listened; at other times we found our attention gripped by the line of fire separating the two fronts.

Bunker House

Only a few minutes later, we found ourselves traveling extremely narrow and rough roads, military roads built by the National Forces because the roads to the hostile positions were covered. Our first stop was in Lib'a. We got out and entered a small house surrounded by sand bags on all sides except for a small passage, so that it resembled a big bunker with no windows and no doors. Inside, there was a group of civil defense elements and a doctor in military uniform. We asked him:

[Question] What is your job in this position?

[Answer] I am doing my patriotic duty as doctor on the front and carrying out my mission as a human being by serving the national resistance.

[Question] One notices that there are areas that have been deserted. Why?

[Answer] After the departure of Lahd and the Christian population, Israel is trying to make these areas a security cordon. The desertion resulted from Phalange pressures.

[Question] Are you exposed to shelling?

[Answer] Yes, and they miss no opportunity.

[Question] What is the importance of this front?

[Answer] Its importance is that it defends Sidon and its suburbs, and that it serves as a first line against the army of the [Israeli] client, Antoine Lahd.

[Question] What is the distance separating you?

[Answer] One kilometer.

[Question] What exactly is the function of this position?

[Answer] Here there is the center of the axis and of operations, as well as a communications axis guaranteeing to all positions communications and required military and medical supplies.

[Question] Are you planning an attack?

[Answer] No, not at all. It would not be to the advantage of the National Forces, because it would increase the population exodus toward the border strip, providing a security cordon for Israel. We do not want that.

[Question] Are the forces of the client, Lahd, trying to advance?

[Answer] For 10 days there has been a continual attempt to advance, but it has failed. We are lying in wait for it.

[Question] In your opinion, what is the solution? Do you think the military solution is best?

[Answer] The solution is very difficult, militarily and politically. It is hard for someone who has betrayed his country to turn back, and the client forces have a record filled with betrayals. Their history is rooted in massacres. I lost my entire family, including a girl 6 years old, at the hands of the Phalange when the enemy overran Lebanon.

Afterwards, we spoke to a member of the civilian defense. He was seated behind a table; near him there was a radio apparatus with which he was trying to follow the movements of Lahd's army.

[Question] What is your job in this position?

[Answer] I am a member of the civilian defense. My job is to give first aid to anyone who is hit. Thus I perform my patriotic duty.

[Question] We heard you talking over the radio. Can you follow the movements of the enemy forces with it?

[Answer] Of course. They are stupid. A client is usually stupid. Whenever they intend to attack or attempt an attack, they threaten us a day or two before. So you see, we understand what they are up to, and we take measures accordingly.

[Question] Is your job only administrative?

[Answer] No, I am also a fighter.

[Question] Do you believe that the flare-up of the line was aimed at impeding the Damascus agreement?

[Answer] Naturally, the explosion came at a signal from the Phalange in order to wreck the agreement.

After the stop in Lib'a, there was no avoiding going to the principal axis, as they call the Kafr Falus--'Ayn al-Mir line of fire. Until that time, everything had gone as wished, and the situation was quiet. However, when we got into the jeep, one of the members of the civilian defense said, "Now you are going into a dangerous area." We stopped briefly and looked at him in silence. Then we went on. A quarter of an hour later, we were in Kafr Falus, a completely devastated area with no life in it. As Nidal told us, we had reached our final position.

[Question] What is the distance now separating us from Lahd?

[Answer] Only 500 meters. However, if we wanted to measure it in the direction of the valley, they are no more than 300 meters away from us.

Conversation Amidst Shells

The area was indeed a military area or battlefield. We made a tour of the place, though with caution. From inside the bunker, we could see a large villa where Lahd's agents were living and the tanks surrounding it. "Standing where you are is very dangerous," said one of the fighters. "However, at this time in the middle of the day, they cannot see us, because the sun prevents it." With these words, he welcomed us into Abu Tariq's bunker. The following conversation took place between us:

[Question] Since when have you been on the axis?

[Answer] My experience as a fighter has been long--but on the axis, 6 months.

[Question] What is the importance of this position?

[Answer] This position is the confrontation line. It faces Lahd's group and the Zionists. We here are defending the national line. Its extent is not just in the area of 'Ayn al-Mir, or Lib'a, or east of Sidon; its extent is all of national Lebanon, beginning with Mount Lebanon, continuing to national Beirut, and reaching all the nationalists. In addition, we are on extension of the national resistance in the south.

Several moments passed. We heard the first shell fall. "They have begun," Abu Tariq went on. Only a few moments later, the second and third fell. Silence descended on us. The speaker laughed and said, "You are safe inside the bunker. It is solid." We replied that we were safe now, but how would we get back? Then we continued our conversation with him.

[Question] Are you constantly prepared for any attack from the clients?

[Answer] This is a contact line. The distance between them and us is very short, and we are always in a continual state of battle.

[Question] Last week, the axis witnessed an extensive explosion militarily. What information do you have?

[Answer] As far as we are concerned, we are waiting for an order from our leaders to attack. We hope to receive an order in advance. The explosion does not concern us.

[Question] How do you view the political solutions that have been proposed?

[Answer] As fighters, we know our job. We are here representing joint forces from the Ba'th Party, the Arab Socialist Party, the Nationalist Party, and the Communist Party. In the field, we are not so much concerned with political as with military activity. We hope to receive an order to advance, because we have to settle the business of those men over there. Even if Israel is behind them, we are fighting for the right, and we shall win.

[Question] Are we to understand that you are for the military solution?

[Answer] Yes, the military solution is the most successful one. All the agreements are ink on paper. As fighters, we do not like them, because all those who work with Israel are always calling on the politicians. We refuse to do so.

The shelling intensified. Fires broke out around the area. No sooner did a shell explode than the fighter called our photographer, "Come, take a picture. This is an important shot." They are used to the situation, but

it is unbearable. The shelling concentrates mostly on Lib'a, our return route. Yet, in the face of the fighters' courage, there was no room for fear. You find yourself renewing the conversation as if nothing had taken place.

[Question] (To 'Isam, a 22-year-old fighter) The shelling is flaring up. What do you do at such times?

[Answer] We take precautions and are careful. Everyone goes back to his bunker and to his position. This situation happens every day, and there is nothing further that we can do. In my opinion, the situation is waiting for a political solution. Any one of us can wait--but how long? The situation is difficult, and we hope that it will improve. If we were ordered to attack, we would do so. It would be better than stagnating.

[Question] Has any unusual or important incident taken place while you have been here?

[Answer] One day, the random shelling of Lib'a intensified, but not a shell fell on this axis, though they knew it to be the most important one. Lahd's plan was to distract us by shelling Lib'a and to turn our attention to it in order to surprise us with an attack or with direct shelling. He did not succeed. After the random shelling, we hid in our center. The shells rained down on us, for they thought we had gone out of the bunkers. So they were misled, and we were not taken in.

There are many stories. However, I would like to say that Israel's agents and Lahd's group are stupid, very stupid. It is well known. Finally, we say, "We hope to see you over there"--at a distance of 300 meters, and to drink a toast to victory together.

(Correspondent, resuming the narrative) Thus we ended the conversation, not because of lack of time, but as a result of the danger from the increasing shelling and from fear that the battles would intensify.

We returned--the car was driven at breakneck speed--and arrived in al-Salihiyah. We thanked Nidal for helping us, and we took our car and returned.

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OSLO PAPER INTERVIEWS S. LEBANON'S LAHAD

PM161518 Oslo ARBEIDERBLADET in Norwegian 10 Dec 85 p 14

[Interview with South Lebanon Army Leader Antoine Lahad by Harald Stanghelle: "Haddad's Successor"]

[Text] Southern Lebanon, December--"UNIFIL should not have been called a peace keeping force. It does not keep peace; it functions more as a sort of Red Cross."

ARBEIDERBLADET was visiting the leader of the most controversial military force in Lebanon at present--General Antoine Lahad, Major Sa'ad Haddad's successor in southern Lebanon, Israel's ally and leader of the South Lebanon Army [SLA].

And Gen Lahad made no attempt to conceal his great irony when he asked:

"Has UNIFIL been able to fulfill its mandate in the 7 years that have passed since it came to southern Lebanon? If not, what purpose does it serve? And if you answer the question in the affirmative, what has it achieved? No one can say what it has achieved; no, it has achieved nothing in 7 years..."

We met the general in his headquarters in Marj 'Uyun in southern Lebanon. A former military post built by past French Colonial masters. Later taken over by the Lebanese Army and from the beginning of the civil war controlled by Major Sa'ad Haddad and his men.

And now the headquarters of Gen Antoine Lahad and his South Lebanon Army.

However, not only them. For there are Israeli officers here too. No one tries to hide the fact. For cooperation between Israel and the retired Lebanese general is open and intimate.

Ironically enough three faded Israeli tourist posters are the only wall decoration in the SLA leader's anteroom. One says "Shalom--the Hebrew word for peace.

[Stanghelle] It has been said that you are in Israel's pocket, that you do what they want. Comments?

[Lahad] We have never concealed our ties with Israel. We share common interests with them and for these reasons we accept assistance from Israel. We have a 110 km common border and we have no reason to go to war with Israel. If other Arab states wish to do so, well, they will have to do so from other countries--not from here in Lebanon. [answer ends]

Gen Lahad was not annoyed by the question. He knows the problems; he knows that he is accused of collaborating with the state which many Lebanese see as an occupation force.

It did not take long for the general "to get into the news," as the saying goes. Israel had not formally withdrawn from southern Lebanon before the kidnapping of 21 Finnish UN soldiers brought the general and his 1,500-strong army into the spotlight.

In the Norwegian mass media the clashes between the SLA and Norwegian UN soldiers are best known. Gen Lahad himself says that he does not want friction:

"We try to prevent clashes with the UN force. Unfortunately these do happen from time to time--they are unavoidable. First and foremost because UNIFIL does not recognize the SLA, and also because a satisfactory way of communicating with us has not been found, even unofficially," he said, adding:

"The lack of communication between the troops on the ground leads to clashes which we try to avoid but which we do not always succeed in avoiding."

The general becomes ironic when he talks about UNIFIL. He claimed that the force cannot manage to stop infiltration; he claimed that there are large quantities of weapons inside the UNIFIL area and that "terrorists feel safer there."

Nevertheless his tone is milder now than it was when we spoke to him 6 months ago.

"We want to prevent serious clashes with UNIFIL. I am not opposed in principle to UNIFIL's presence, but I cannot accept them preventing us from carrying out our task. If we do reach such a point, well, then I will change my attitude..."

So said Antoine Lahad. In his elegant blue leather jacket he walked back and forth across the floor. A large, bare office. Only a large-scale map of Lebanon on the wall. No battlefield activity here.

All is calm. The large desk has empty in and out trays. If there is any activity here in the headquarters, it does not at least originate from the general's office.

And it is the relationship between the SLA and UNIFIL which is the tricky problem for the UN force in today's southern Lebanon.

UNIFIL refuses to recognize the SLA as an independent Lebanese force. It goes through the Israelis and holds Israel responsible for anything the SLA may do. UNIFIL refuses the SLA access to the area; only with an Israeli escort is it possible for the SLA to enter. Israel has the right and the strength of an occupation force to do this. And UNIFIL still views Israel as an occupation force in parts of southern Lebanon, regardless of whatever declarations the Israeli Government is making to the effect that the occupation is over.

Gen Lahad returned to this repeatedly. He wants freedom of movement and agreements with UNIFIL.

"We have, for example, contact on the ground with NORBATT [Norwegian UN Battalion], but from time to time orders for a different line come from above. Then there are clashes. Perhaps this happens for political reasons. I do not know..."

In this way the political problem "on the ground" in the area. Lahad's nearest neighbors, the Norwegian UN battalion, in particular have noted this.

"The fact that we only have freedom of movement with Israeli escorts is absolutely unacceptable to us. We are Lebanese in our own country, and if this is UNIFIL's Position, well, then UNIFIL is working to preserve the Israeli presence in the country," Gen Lahad said.

Despite this the SLA leader hinted at a low profile:

"In order not to increase the number of clashes we have accepted having the Israelis with us when we move in the UNIFIL's areas. We simply do not want clashes every other day," he said. At the same time Lahad was consistent in his conclusion:

"We expect NORBATT and the others in UNIFIL to eventually understand that we are prepared to use other methods to get our way."

Again we were back at the question of who Lahad and his men are--Israel's lackeys in southern Lebanon or Lebanese patriots who see cooperation with Israel as the only chance of stability in the region.

The 57-year-old Lahad was an unknown name in the south when he took over after the death of Major Haddad. He came from the al-shuf mountains east of Beirut and is a retired general in the Lebanese Army.

When we asked the general whether he has any contacts now with the Lebanese Army or Government, he answered with one of his many counterquestions:

"Which government and which army?"

That is a good question in today's Lebanon.

LEBANON

CONFISCATION OF EAST BEIRUT PAPER REPORTED

NC101634 (Clandestine) Radio Free Lebanon in Arabic 1445 GMT 10 Jan 86

[Excerpts] Issues of the AL-JUMHURIYAH newspaper were confiscated in the Al-Matn region this morning, and distributors of the paper were assaulted. Gunmen also raided the newspaper's printing press in Al-Mukallis.

Ilyas Al-Murr, the director general of AL-JUMHURIYAH, has issued the following statement: The AL-JUMHURIYAH newspaper was subjected to armed aggression this morning which affected its printing presses and distributors in the northern Al-Matn region. Such action contravenes even the simplest principles of democracy and public liberty, which form the basis of our human society.

Our adherence to the principle of freedom of the press is an adherence to man's right to express his opinion. AL-JUMHURIYAH has paid and continues to pay the price of this commitment. Although this paper is relatively new, it has already been subjected to repeated attacks from several sides. This is the best indication that the paper is following a correct line in presenting information and is maintaining its objectivity in reporting on the Lebanese issue.

It is regrettable that most of the attacks on the newspaper have taken place in our [Christian] areas at a time when we expected them to take place somewhere else.

To the aggressors we say: The voice of AL-JUMHURIYAH will not be silenced. These attacks will not deter it from reporting the truth.

Several personalities and leaders have contacted Al-Murr, denouncing the incident. These include Elie Hubayqah, chairman of the Lebanese Forces Executive Committee; lawyer Karim Paqradi, head of the information department of the Lebanese Forces Executive Committee; Colonel Simon Qassis, chief of military intelligence; and Muhammad al-Ba'labakki, chairman of the press association.

/12624
CSO: 4400/92

PHALANGIST LEADER COMMENTS ON EAST BEIRUT 'INCIDENTS'

NC211314 Beirut AL-NAHAR in Arabic 19 Jan 86 p 3

[Interview with Phalangist Party leader Dr Elie Karamah by AL-NAHAR correspondent Nicola Nasif at the party headquarters in Al-Sayfi--date not given]

[Excerpts] [Nasif] Could the recent incidents in the eastern areas, the party's recovery of its institutions, and most important, the political and military initiatives, have taken place without these bloody events?

[Karamah] Let me first clarify the reports which have been going around since last Wednesday's incidents about the large number of victims who purportedly fell in the clashes. The figures which have been given are an exaggeration. We did make several attempts in the past to prevent tragic events of this kind, for humanitarian and nationalist reasons. In the last few months we have been trying to stop abnormal practices and violations of freedoms and put an end to the police system which had dominated our areas for some time. We made several attempts to establish channels of dialogue so that political, social, and security solutions could be worked out. All these offers were turned down and the violations and acts of oppression increased. It is natural for depotism and oppression to lead to something like an explosion and to revolutions, which in turn lead to certain reactions, not to use the term uprising in this respect.

[Nasif] Mr Elie Hugayqah said in Paris the day after he left Lebanon that those who think that they have triumphed should realize that they will follow him soon. What is your comment?

[Karamah] What he said or did not say is of no concern to me. What we did was done out of principle and in self-defense, and has nothing to do with sensitivities or personal differences. In fact, what we did has no personal connotations whatsoever. It was not directed against Elie Hubayqah, as an individual, but against an abnormal and unnatural situation that affected us all as party members, Christians, and citizens.

[Nasif] The Phalangist Party has been saying since last Wednesday that what happened was an internal affair and has nothing to do with the tripartite agreement or the Syrian role in Lebanon. However, the agreement has practically been aborted as a result of the removal of one of its signatories. How do you explain this contradiction?

[Karamah] I do not think that what happened in our areas had anything to do with the tripartite agreement. The agreement had already failed before Wenesday's events. We must not forget that Bkirki [the seat of the Maronite Patriarchate, the National Liberal Party, the Phalangist Party, the Independent Maronite Deputies grouping, and the Christian Leagues have rejected the agreement. The great majority of Christians are opposed to it. Furthermore, the contents of the tripartite agreement go against the conscience of Christian society.

There are a number of principles which must be reaffirmed:

1. The need to work for an end to the state of war and for the prevention of the tragic results which will ensue from its continuation.
2. The firm and absolute determination to ensure coexistence among all Lebanese and to give each sect its rights on the basis of a compromise formula. I referred to this in the speech I delivered in Antilyas on the 49th anniversary of the establishment of the party. In that speech I included a political plan based on the reconciliation and coexistence of the Lebanese and essential guarantees for the Christians.
3. The need to start a dialogue with all the Lebanese parties. For our part, we demand that the dialogue and talks continue so that the state of war may be ended and a comprehensive and genuine peace be established, which is not based on the logic of victor and vanquished. The solution proposed in the tripartite agreement was conceived in terms of victor and vanquished.
4. Syria has an important role to play in ending the state of war in Lebanon and restoring normal conditions here. We support the maintenance of excellent relations based on friendship with Syria. This has been a firm Arab approach which the party has never deviated from, and which we will continue to uphold.

[Nasif] What is the alternative to the failure of the agreement?

[Karamah] The alternative is to reach another agreement that will take into consideration the principles I have outlined.

[Nasif] The other faction has described the recent incidents as a coup led by President Shaykh Amin al-Jumayyil against the tripartite agreement, through the Phalangist Party.

[Karamah] What does the president have to do with this whole story? He is a constitutional president for the entire nation, and he is entrusted with safeguarding legitimacy and its institutions. Above all, he is the president of all the Lebanese people. His standpoints derive from his position, and his decisions and choices must be seen against the background of that position. The Phalangist Party's stands are not related to those of the president. However, the party supports him on the basis of its traditional line, according to which it has always backed legitimacy and the man who presides over it.

[Nasif] How then do you interpret the fact that the incidents in the eastern areas coincided with the failure of the 11th Lebanese-Syrian summit in Damascus?

[Karamah] There is no connection whatsoever. The recent incidents [in the eastern areas] could have occurred at any time before. It is possible that Wednesday's incidents were related to the attack launched on the northern Al-Matn area by Elie Hubayqah's followers last Monday. Perhaps the Monday attack was a direct and main reason for Wednesday's reaction. However, President al-Jumayyil has already given his views and made certain proposals and remarks. Had there been any connection they [the incidents in the eastern areas] would have taken place prior to and not after the Damascus visit.

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PALESTINIAN AFFAIRS

GROUP RESPONSIBLE FOR VIENNA, ROME AIRPORT ATTACKS DISCUSSED

London AL-MAJALLAH in Arabic 8-14 Jan 86 pp 12-13

[Article by Salih Qallab]

[Text] Echoes of the attacks that were carried out by armed Palestinian groups against the offices of the Israeli airline El Al at the Rome and Vienna airports are still reverberating in various quarters of major European capitals, and there has been a lot of talk throughout the past days about a joint American-Israeli act of revenge taking the form of a strike against one or several Arab capitals.

AL-MAJALLAH sent its representative, Salih Qallab, to the Austrian capital, Vienna, in order to gain insight into the secrets of the investigations conducted on the attacks by meeting with the Austrian interior minister, Karl Blecha, and to find out about European and western reactions to those two operations.

In this investigation, AL-MAJALLAH uncovered the truth about the organization that carried out the operations, the names of the assailants, the side which is behind them, the sources of their weapons, and the basic objective behind these attacks.

Following these latest operations, Europe's airports look like military fortresses guarded by security men and soldiers armed to the teeth, their fingers on the trigger, watching everything large or small, every coming and going. They even have tanks and armoured cars stationed by the lobbies and at the intersections leading to these airports.

But despite the fact that Europe is on edge amidst a wave of rumors and conflicting bits of information about a storm of violence coming from the East, the value of the individual is still preserved. At the Vienna airport, which a few days ago had been the scene of a bloody battle, a security man greeted me with a smile in the airport and told me that before I came I should have gotten an entry visa from the Austrian embassy in London.

When I explained to him about the circumstances and requirements of journalism, and that the holidays had prevented me from getting what he

had mentioned, in view of the fact that the Austrian embassy, like any other government office, had been closed in preparation for the Christmas and New Year's holidays, he asked me, with a sheepish apology, to wait in a clean, neat hall especially for these cases for only 10 minutes, after which he returned, and handing me my passport, he bid me welcome to enter this ancient European capital which has produced a great portion of Europe's modern history.

The snow gives Vienna a special dignity, and its frost covers the feverish activity caused by the recent events. The talk in the coffee shops and restaurants is about these two operations that shook Europe at the close of the past year.

Debate raged over where those who carried out the operations had come from, to what organization they belonged, why they did what they did, what the relationship of the PLO is to them, and whether the young men who carried them out did what they did because of what the Palestinian camps and the Palestinian people had been subjected to in recent years, or whether they were working for parties that had exploited their despair and simplicity for various reasons, about which there has been speculation, but which no-one has uncovered precisely.

Where did those who carried out the two operations come from, to what organization do they belong, what do they want, and why did they choose Austria and Italy as the stages for their operations? These questions were answered by the Austrian interior minister in the published interview accompanying this article.

Abu Mahmud's Groups

There were things which the interior minister did not mention, or rather, he refrained from mentioning them for reasons which concerned him and his country, and we did not ask about them, of course, nor did we inquire as to their nature. However, we heard about them from officials who did not wish to be identified, and from diplomatic circles in the Austrian capital at various levels and with various tendencies and inclinations.

Some Austrian officials say that those who attacked the Rome and Vienna airports belong to one organization, and that this organization is called the "Arab Revolutionary Cells" or the Sons of the Martyrs of Palestine--there is no difference--and that it is the continuation of an old group that broke away from the Fatah movement in the early seventies because of ideological differences and a different concept of the nature of Palestinian resistance action, especially with respect to foreign operations.

New Old Organization

If this report is true, it can be said that this group is the continuation of the group of Ahmad 'Abd-al-Ghafur (Abu Mahmud), who was killed in 1974 in the al-Ashrafiyah district of Beirut under mysterious circumstances, after long pursuits between this Palestinian official and his killers.

In Palestinian circles, Abu Mahmud is described as being admired by many of the young men who believe in violence as the sole means of convincing the West, and the United States in particular, of the justice of the Palestinian cause, and as having been responsible for blowing up the American airliner at Rome airport in 1974, which killed several Moroccan officials and a large number of passengers of American and various other nationalities.

It has been indicated that Abu Mahmud was one of those who had joined the Nasirite current in the past, and that after the emergence of the Palestinian resistance he worked for a limited period of time in the well known Black September Organization, which claimed responsibility for the famous Munich stadium operation. Then he quit, and chose to work alone with his group, except for what was required by the need to coordinate with some extremist forces opposed to the PLO's official policy.

Whether this organization is real or imaginary, and whether it is a continuation of Abu Mahmud's group or not, what is sure is that the Rome and Vienna operations have led to the formation of a joint West European operations room to combat the possibilities which say that the next will be greater, and that the coming year will be a year of blood baths if the situation in the Middle East remains stuck in the bottleneck, and if the United States continues with its present policy against the Palestinian people and the PLO.

In this atmosphere of strained nerves, any rumor or false alarm arouses fear throughout Europe, and that happened when information from an unknown source leaked recently which spoke about the spread of a group of eight individuals into a number of European states in preparation for a new round of violence.

Responsible circles in Austria as well as in Europe generally do not dismiss the possibility of there being coordination between several European and Middle Eastern secret organizations, and therefore some reports say that the Rome and Vienna operations were not the work of one organization, but that several groups took care of planning, weapons and preparation, though under the control of one director. There is still conflicting information concerning the precise determination of his true organizational identity.

Names of the Assailants

Regarding the question of the true names of the young men who carried out the aforementioned operations, especially those who were captured alive by Italian and Austrian authorities, officials in Vienna indicate that the two who survived lay the responsibility for everything on the shoulders of the person who was killed during the confrontation. They say only that his name was Khalid, and they confirm that one of them is named 'ali Muflih Abu-al-Hayja, and that the second is named Mahmud Khalil 'Abdallah 'Abd-al-Jawad.

One of the strange things that is being talked about in the Austrian capital is that during the pursuit of those who carried out the Vienna airport operation, the ammunition of the Austrian police ran out before the ammunition of the assailants ran out, and that fate alone averted certain death from several policemen, when one of those assailants was unable to pull the safety pin out of the hand grenade he was carrying at the appropriate time.

Among the things that are heard in diplomatic circles in Vienna is that a security delegation from the PLO went to the Austrian capital directly after the occurrence of the operation, and that an Italian delegation came for its part to carry on the investigation into whether there was a direct link between what happened in the Vienna airport and what happened at the airport of the Italian capital.

It is apparent from what is said in various circles and on the street in Austria that those two operations have once again opened people's eyes to the injustice that was and is inflicted on the Palestinian people; this is in spite of the fact that the prevailing opinion says that this type of operation will in the end, and in the event that it continues, force a broad segment of those who support Palestinian rights to take an opposing view.

There is almost a sort of consensus on Austrian streets that those two operations targeted first and foremost the position of the PLO, and were meant to strike a blow against the credibility of its leader, Yasir 'Arafat, following the well known announcement in Cairo in which he gave assurances that foreign operations would cease.

The Austrians, and perhaps the Europeans in general, do not see any difficulty in proving that the division in the Palestinian ranks that is based on the extreme state of Arab polarization provides the right climate for spawning this type of operation and this type of confrontation, and therefore they believe that the storms of death coming from the Middle East will not cease as long as the present Arab split does not end, and as long as the Palestinian groups do not agree on a unified stance within the framework of the PLO.

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CSO: 4404/186

PLO OFFICIAL ON COOPERATION WITH EUROPEANS

London AL-MAJALLAH in Arabic 8-14 Jan 86 p 14

[Interview with Da'ud Barakat, director of the PLO Vienna office; in Vienna, date not specified]

[Text] The director of the PLO office in Vienna, Da'ud Barakat, is one of those who followed the operation of the Austrian Schwechat Airport from close by, and in the following interview with AL-MAJALLAH he gives assurances that the position of the PLO in this European country will remain as it was, in spite of the fact that the two latest operations were aimed at this position.

[Question] There are those who believe that these two operations were aimed directly against the PLO. What do you say?

[Answer] I do not have the slightest doubt that those who planned this operation are targeting the PLO, but I am convinced that the elements that carried it out are a living expression of the state of subjugation that is being experienced by the Palestinian people, who face massacre after massacre.

[Question] Do you not believe that that is a justification for that type of operation?

[Answer] No. I say that certain states and well known organizations have exploited our people's state of subjugation in order to carry out operations whose aim is to make the struggle of this people look bad, and to threaten the international relations of the PLO.

[Question] Did you have knowledge of these two operations before they occurred?

[Answer] If you mean the time and the place, then we did not have any information in this regard. What we had was just expectations of bloody operations in some European countries.

[Question] There are reports about the PLO taking part in the investigation of the survivors of those who carried out the Rome and Vienna operations!

[Answer] Two states such as Italy and Austria have deep-rooted traditions that cannot possibly allow any party in these investigations, which will undoubtedly be conducted in the courts. What we are doing is just gathering information, so that we may act in the future to prevent these operations. In this aspect, I will not be telling any secrets if I say that a state like Austria has political and diplomatic connections with the PLO that are prepared to cooperate with Palestinian security systems.

[Question] What you are saying might be taken as a pretext to accuse the PLO of leaking information to western security systems about the activity of some Palestinian groups.

[Answer] That is an unjust accusation. We as an organization are considered the national framework of the Palestinian people. We refuse to be a go-between spy for any party or any state. But that does not mean that we will not cooperate with host countries to ensure that our offices and establishments in these states are adequately protected.

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CSO: 4404/186

SYRIA

HOPE REVIVES FOR OIL RESERVES

Dubayy AL-BAYAN in Arabic 7 Dec 85 p 16

[Article in the column "Damascus Letter": "Renewal of Hopes for Future Oil Situation in Syria, Conclusion of Drilling Operations in the Dayr al-Zawr Field, Continued Efforts To Improve Producing Fields"]

[Text] Official Syrian sources are still maintaining silence on the facts about the oil wells recently revealed south of the city of Dayr al-Zawr in eastern Syria. Since there are no definite official estimates of expected production from the wells, conflicting information has been given by the unofficial sources interested in following the subject.

Some of these sources had previously indicated that the discovery was much smaller than had been hoped. (It had been forecast that Syria might become an oil-exporting country within the next 2 years.) These sources added that the most recent studies have shown that production from the new oil field will not exceed 50,000 barrels a day. This figure is much lower than the initial estimates, which had predicted that production from the field would vary between 250,000 and 400,000 barrels a day.

Official Syrian agencies concerned with the subject contented themselves at the time with pointing out that information about the new oil discoveries still needed further study and scrutiny, and that more wells needed to be drilled to determine the extent of the oil and the characteristics of the reservoir rock in the various directions of the formation.

Although Syrian sources still decline to give exact estimates of the true size of the new discovery, the latest statements by Syrian officials assert that there is still hope for positive results in the area of extracting the oil of the newly discovered field.

In this connection, the Syrian oil minister states that the results of the excavations done at Well S-105, one of the wells of the field in question, have changed many previous conceptions. Interested observers think that the Syrian oil minister's words constitute an implicit rejoinder to the information being circulated by certain parties to the effect that the yield of the new field is not commercially feasible. Lending strength to this opinion, in the view of observers, is the statement by the concerned Syrian agencies that drilling operations are being continued in the area of the new discoveries.

Optimistic Oil Predictions

In this connection, it is known that Syria has contracted with a number of western companies to conduct drilling and production operations. These companies are Deminex of West Germany, the Shell Group, and Pecten. According to provisions of the agreement concluded between the Syrian National Oil Company and these three companies, Syria will keep 13.5 percent of the revenues from oil and gas extracted from the Dayr al-Zawr field; the remaining revenues will be divided equally between the [Syrian] national companies and the three western companies.

On the basis of these optimistic estimates, some sources close to the Syrian National Oil Company predict that in 1986 Syria will be able to produce about a quarter of its crude oil needs from the recently discovered Dayr al-Zawr fields. If this prediction comes true, it will save the Syrian treasury more than 2 billion Syrian pounds according to the same sources.

It is worth mentioning in this connection that Syria now produces about 170,000 barrels a day of high-sulfur heavy crude oil. About 70 percent of this production is exported, because Syrian refineries are not equipped to refine oil of this kind. Syria is thus forced to import the bulk of its oil requirements, estimated at 190,000 barrels a day, while no more than 70,000 barrels a day are set aside from Syria's own production to cover the needs of the local market.

In the light of these givens, interested sources believe that the subject of the yield of the new oil fields is vitally important to the Syrian economy, especially because the oil discovered in these fields is different in specifications from the oil of the old Syrian fields. The oil of the new field is low-sulfur light crude, which makes it suitable for the Syrian refinery installations.

Sixth 5-Year Plan

On this basis, it was no surprise when Syrian officials concerned with economic affairs stressed the priority their agencies and departments grant to the subject of developing oil yields in Syria. This is particularly confirmed by information that recently leaked out concerning the discussions of the committee charged with preparing the sixth 5-year plan, which is expected to be issued within the next few weeks. This information indicates that the committee preparing the plan devoted a large part of its discussions to looking for a way to assure local market oil needs from Syrian's own resources.

In this context, observers call particular attention to the protocol for petroleum cooperation that Syria recently signed with the Soviet Union. It specifies full cooperation in the area of geological and geophysical surveying, development of oil wells, and the supplying to Syria of needed deep drilling equipment, experts, and technicians. They also call attention to the meetings that the Bulgarian minister of mines held with Syrian officials

during his visit to Damascus last month. At these meetings, emphasis was placed on strengthening the existing cooperation between Syria and Bulgaria in certain oil industry projects now being carried out by Bulgarian companies in Syria.

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SYRIA

BRIEFS

SYRIAN-SOVIET TALKS ON MISSILES--Kuwait, Feb 4 (KUNA)--Daily ALQABAS Tuesday quoted well informed sources in Damascus as saying that talks between high ranking Soviet-Syrian officials took place recently on providing Syria with advanced anti-aircraft Sam-5 missiles. The talks were held following reports that the Sam-5 missiles were not strong enough to confront the most advanced equipment provided to the U.S. aircraft the paper added. The sources told the paper that Israeli warplanes were equipped with a limited number of such equipment which help in avoiding long range missiles. The daily pointed out that detailed reports were prepared by a number of Soviet experts who were monitoring Israeli warplanes' activities in Syria. [Text] [Kuwait KUNA in English 0849 GMT 4 Feb 86 LD] 12624

CSO: 4400/92

UNITED ARAB EMIRATES

FRG CONSTRUCTION PROJECTS DESCRIBED

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 23 Dec 85 p 2

[Article by W. An.: "German Engineering Enterprises Active in the United Arab Emirates"/Job Orders in Various Categories]

[Text] Although competition in the United Arab Emirates has become increasingly sharper and fewer job orders were awarded due to a drop in income from oil transactions, German firms in general managed to maintain their market position. Consulting engineering firms, construction and industrial enterprises were again included in important development projects. (See also the reports on German involvement in the United Arab Emirates of 18 January, and the article "Cheaper Dollar Hits the Gulf States" of 12 December.)

German consulting engineering firms are particularly active in the areas of water and energy supplies. Lahmeyer International GmbH, Frankfurt, assumed the operations management of the Bani Yas thermal power plant, and management of the information system of the power plants. It was also given consulting tasks for supplying energy to the Suweihan Camp and for the installation of the intake channel of the Al Taweelah power plant. Fichtner Beratende Ingenieure GmbH & Co. KG, Stuttgart, was awarded consulting tasks for the intake construction on Das island and the Jebel Dhanna water conduit. The oil transshipment harbor of the state-owned Abu Dhabi National Company (Adnoc) is located there. It also undertook preparation of a study for installing a grid to ensure the electricity supply for the installations of the Ruwais Utilities Project (RUP) at the new Ruwais industrial location. It was also awarded preparation of a study for a remote control network of the crude oil refinery located there.

GWE German Water Engineering GmbH, Lingen/Fms, was included in the Al Shabak water supply project. As a consortium partner, it also obtained a consultation order for sewage removal in the city of Dubai. Pipeline Engineering GmbH (PLE), Essen, a subsidiary of Ruhrgas AG, Essen, is active in linking up industrial enterprises to the natural gas distribution system in the north of the country, where it is also responsible for maintenance. Ingenieurgesellschaft Meerestechnik + Seebau GmbH (IMS), Hamburg, was awarded the preparation of a hydraulic model for

Abu Dhabi. GFE Gesellschaft fuer Forschung und Entwicklungsprojektierung GmbH, Aachen, is a consultant for trade promotion.

In the fall of 1985, Coutinho, Caro & Co. AG (CCC), Hamburg, now a subsidiary of U.S. McDermott International Incorporated, New Orleans, Louisiana, was awarded construction of bombproof hangars at the Dhafra air force base. The order, which CCC obtained jointly with the Italian firm Bentini Costruzione, is valued at about DM 400 million. The U.S. firm Frank E. Basil was awarded supervision of the project, which is to be concluded by the end of 1987. The construction team of CCC employs about 800 Indians and 100 Europeans.

In the summer of 1985, Ed. Zueblin AG Bauunternehmung, Stuttgart, together with the domestic Al Massood Engineering & Contracting, obtained an order valued at \$ 38.4 million for the construction of a three-story emergency hospital with 250 beds. It will have eight operating rooms and is joined to the already existing Al Jazeera hospital. The hospital was designed by Jordan Consult in conjunction with the British Hospital Design Group. These two consulting firms also assumed supervision of the construction work which is to take 2 years.

In the Emirate Abu Dhabi, Strabag Bau-AG, Cologne, obtained an additional order relating to installation of a water supply system at Jebel Hafit, which is carried out together with Beteiligungsgesellschaft August & Jean Hilpert GmbH & Co., Nuremberg. Strabag Bau-AG was also given charge of constructing a new connecting road between the Hilton Hotel and the Intercontinental Hotel at Al Ain, an oasis and university town. Hochtief AG, Essen, at present is constructing a maintenance and repair hangar at the Abu Dhabi International Airport. The order, to be concluded during 1987, is in the amount of DM 176 million. Karl Bauer Spezialtiefbau GmbH & Co. KG, Schrobenehausen, is another German construction firm active in the United Arab Emirates.

In the spring of 1985, Brown, Boveri & Cie AG (BBC), Mannheim, received an order worth almost DM 38 million for electrical equipment of a sewage treatment plant in Dubai. The order was awarded by the general contractor, South Korean Keang Nam Enterprises Ltd., Seoul. The sewage treatment plant, to be finished by 1987, will have a processing capacity of 130,000 cubic meters of sewage per day. Lurgi Italiana, a subsidiary of Lurgi GmbH, Frankfurt, is also involved in this sewage treatment plant. It received a subcontract to supply mechanical equipment in the amount of \$ 23 million.

In the spring of 1985, Total Walther Feuerschutz GmbH, Cologne, a company of the Krupp group, obtained its largest vehicle order so far, valued at about DM 34 million. It concerns delivery of specially equipped fire engines to the Abu Dhabi Emirate which, among other things, serve for the protection of Abu Dhabi International Airport. Delivery of the vehicles, equipped with a Daimler-Benz chassis, will continue until the third quarter of 1986.

Recently, Davy Bamag GmbH, Butzbach, was included in a water supply and management project on Das island in the Arabian Gulf. It assumed delivery of an installation to study sea water valued at \$ 2.5 million. In fall of 1985, Lohmann & Co. AG, Cuxhaven, received a contract from the Ras al Khaimah Poultry and Breeding Company in the amount of \$ 1.2 million for the expansion of its poultry farm. Draegerwerk AG, Luebeck, active in the field of nuclear technology, established a new branch office in the United Arab Emirates. For Hoesch Export AG, Dortmund, the United Arab Emirates are also an important sales market. Among other things, the Dortmund enterprise is interested in a pipeline project in Abu Dhabi.

Deminex-Deutsche Erdoelversorgungsgesellschaft mbH, Essen, has a 55 percent participation in Blocks C and D in the Emirate of Abu Dhabi. In 1984, because of the latest seismic findings, the exploration areas were reclassified as a basis for further drilling activities. According to the agreement, 25 percent of the total area was returned in May 1984. Deminex, which works as a business management firm, has several partners, namely British Charterhouse Petroleum, U.S. Union Texas, and Menco Oil Company, registered in the Bahamas.

The United Arab Emirates continue to be important trading partners for the FRG. In 1984, German exports to that country amounted to DM 1,220.9 million compared to DM 1,307.3 million in the previous year. In 1984 (1983), the most important German export products were machines and vehicles worth DM 652.2 million (DM 737.4 million). On the other hand, goods from the United Arab Emirates were imported in the amount of DM 785.3 million (DM 1,142.9 million), DM 720.0 million (DM 841.7 million) worth of products of the mineral oil industry. The balance of trade in 1984 (1983) therefore showed a positive balance of DM 435.6 million (DM 164.4 million).

AMK Berlin Ausstellungs-Messe-Kongress GmbH, Berlin, in the fall of 1981 concluded a cooperation agreement with the United Arab Emirates' Gulf Arab Marketing and Exhibition Company (GAME), founded in 1979, and jointly with the Arab partner it arranged the European Export Fair in Abu Dhabi in October 1985. This fair, in which a number of German enterprises participated, was under the aegis of the Commission of the European Community. Its goal was promotion of commerce and sales, not only in the United Arab Emirates, but also in the rest of the Gulf region.

9917

CSO: 4620/22

PAKISTANI PAPER INTERVIEWS TRIBAL LEADER

GF261201 Lahore JANG in Urdu 15 Jan 86 pp 1-7

["Exclusive" interview with Wali Khan Kukikhel by JANG correspondent Iftikhar 'Ali on Sunday at (Taunda Maina) in the tribal area--date not given]

[Excerpts] Peshawar--Malik Wali Khan Kukikhel, a tribal leader, said: We have always been ready to hold any kind of peace talks with the government. He expressed the hope that the present governor and the Junejo regime will, despite existing barriers, act in a way which will bring peace to the region based on justice and fair play.

JANG correspondent Iftikhar 'Ali, who after a long trek on foot was the first correspondent among local or foreign correspondents to reach Taunda Maina in the tribal area after the recent operation in Khyber Agency, held an exclusive interview with Wali Khan Kukikhel on Sunday in which the latter said: We are Pakistanis; we have created this country and the 100 million people of this country own Pakistan, not a few select people. We have always supported negotiations because no problem, especially a political one, can be resolved through force. He welcomed the JANG correspondent on behalf of the Khyber tribes and said: We are grateful to the JANG correspondent who has come to us in these mountains, these underground cells, these deserts and barren lands so that he can carry our voice to the general public. He said: It is unfortunate that a single person of the regime [NWFP Governor Fazle Haq] has destroyed the peace of the agency for his personal ends. He has killed us and our children, and fully destroyed our homes. He has attacked us with tanks and bulldozers. We are fully capable of giving a crushing reply, but since Pakistan is our motherland, we love its soil and do not want to harm it. Therefore, we came to this barren area and have taken up our residence here. All roads are blocked to us; we cannot contact any member of the mass media. God grant that others like you will come here so that we can relate our sad condition. He added: When our children fall sick, there is no medical treatment for them, nor is there enough food. The accusations made by the government against us are totally false. All this has been done for the personal gain of one person and to please the United States. We do not know how we or our children will live here. We never imagined such things when we created Pakistan.

In answer to a question he said: The United States is taking revenge on us because of the Vietnam war [as published], but this country belongs to 100

million people who want to live in freedom and prosperity. There should be freedom of pen and speech. Those who you call refugees [people who migrated to Pakistan in 1947] are in fact dacoits. General Sawar, who accompanied me on my Hajj journey and whom we called "Haji Sahib," told me once: "Malik Sahib, they are emigrants [Mahajerin] and we are 'citizens' [Ansars] [applied to the citizens of Medina, who assisted Muhammad when obliged to flee from Mecca.]" I said: What if I say that we are American agents and they are dacoits? We cannot let the United States or any other country have control over our country, construct bases on our land, or use sophisticated arms.

Malik Wali Khan Kukikhel said: We are Pakistanis and will remain so till death, but like other provinces we too demand provincial autonomy, or in other words, tribal autonomy.

In answer to a question with regard to the solution of the Afghanistan problem, he said: The Geneva talks are absolutely useless in this question. These talks will never be able to resolve the Afghanistan tangle. The only solution is for Pakistan and Afghanistan to hold direct talks. If you really want a solution to this problem, then I would guarantee not only the withdrawal of Soviet forces, but in order to maintain the prestige of President General Muhammad Ziaul Haq, I also would bring the president of Afghanistan, Babrak Karmal, to Islamabad because we want both Islamic countries to be at peace with each other. He strongly criticized a former high-ranking official of the government and leveled some very strong accusations against him. He said that instead of the heroin bases being destroyed, homes of the poor have been destroyed and the heroin smugglers are living in luxury.

In answer to a question, he said: We and the Afghans are of the same religion, speak the same language, and have the same history. Just as Pakistan is our motherland, similarly Afghanistan is our fatherland. We want good for both. We were not so tolerant in the times of the British, but we will remain patient because we want an honorable pact. He said that both superpowers should leave the region.

In answer to another question, he admitted that not only had he appealed for help from Rajiv Gandhi, the prime minister of India, but he had also, through Afghanistan, informed the UN secretary general of their miserable situation. If things do not take a turn for the better, then we will try to send our own delegation to the United States to tell them of a bloody confrontation in which a number of people were killed and dozens were put into the Peshawar jail.

In answer to another question, he said: Afghanistan has set up a base for us inside their territory to supply us with food and other essential goods. A party of ours consisting of 500-600 persons was on its way to Afghanistan to get their ration and do some other jobs when Pakistan scouts, with the aid of some Afghans, ambushed them on that side of the border and martyred them. Commenting on the statement of Mujahidin leader Gulbuddin Hekmatyar that nobody can stop the Mujahidin from carrying out operations, he said: Forget Gulbeddin; if his master the United States with all its strength and equipment

wants to cross our territory or use our highways without our permission, he will not be able to do so.

In answer to another question, he vehemently denied that he has set up a guerrilla training camp in Afghanistan or in Afridi territory. If this was so, would we not use these trained guerrillas in operations? In connection with the lifting of martial law, he said that it was merely a change of form; if the president retains his post as a chief of staff, then whenever he is in an ugly mood he will clamp down martial law again. In answer to a question whether the government or the new governor had offered him any peace talks, he said: The new governor must be very busy now but he might do so when he is free. He belongs to a very noble Yasafzai tribe and is a perfect gentlemen. However, I do not think that he will have any such authority; in any case, the only action taken is that which is desired by the United States.

In answer to a question on getting arms from Afghanistan, he said: Afghanistan has trade relations with the British, the French, and the Americans [as published] and we have arms which have been passed on to us by Afghanistan. This is not something new; we have been getting these arms since the time of Ghazi Amanollah Khan, but we never used these arms against our country. We cannot even think of such a thing. The bomb explosions in Peshawar and in other parts of the province are the work of the refugees who want to bring the revolution to this area. In answer to another question, the tribal leader said: If the government does not start peace talks with us and we continue to be killed, then we will follow the Koran and we will be compelled to go to war. He also leveled strong accusations against the bureaucracy.

He said that poppy cultivation in our territory has been banned by the government although there is no ban on it in the Holy Koran. Opium was used in the ancient medicines. Besides, this has been a source of our livelihood for centuries. However, if this is not used for destructive purposes, then we should be paid compensation. The compensation money is being swallowed by those people who have banned the cultivation.

He further said that the Afghan refugees should be taken care of according to international law, otherwise they should be sent back to Afghanistan under guarantees. I will guarantee the Pakistani Government that no harm will be done to them by the Government of Afghanistan.

/12913

CSO: 4656/48

SEVEN YEARS AFTER INVASION SOVIET VICTORY FAR AWAY

Tehran KAYHAN INTERNATIONAL in English 8 Dec 85 p6

[Text] When the first Soviet soldier crossed into Afghanistan in 1978, the Communist Party leaders in Moscow were already preparing plans for victory celebrations. But seven years after, that victory appears very far away, and defeat is staring the Soviet leadership in the face. The latest Soviet retreat in the Panjshir Valley and Paktia Province has strained them to the point of contemplating withdrawal from the occupied territory.

Fully aware of Soviet weakness in Afghanistan, the U.S. has begun putting pressure on Moscow. The U.S. administration sent two senior representatives to Pakistan and India in September to discuss issues of regional security. One of the proposals discussed was to find means of increasing U.S. presence in the area to counter the Soviet presence in Afghanistan. Moscow has reacted to this diplomatic maneuvering by strengthening its contacts with the Pakistani leadership. Messages have been sent to Islamabad to the effect that if the Karmal regime is recognized, the Soviets would immediately start withdrawing their troops from Afghanistan.

In addition, the Soviets have also threatened Pakistan with dire consequences in Baluchistan and Sind if the Mujahideen groups based in Peshawar continue to enjoy Zia's support. Apparently, Pakistan has succumbed to Soviet pressure by attending the Geneva talks which have so far been unproductive. Pakistani participation in any future direct negotiations would largely depend on the outcome of the forthcoming superpower summit where Afghanistan is expected to be high up on the agenda.

The Reagan administration is fully aware that Soviet frustration in Afghanistan is the result of its failed military and political strategy. At the start of the occupation, the Soviet Communist Party was convinced that Afghanistan could be subdued within a few months, as was the case with Central Asia. But their analysis failed to take account of some specific features of the land beyond the Hindu Kush. Initially, the Soviet Union thought that fanning tribal rivalries would consolidate their position. This strategy was successful in 1918 during the Caucasian war in the Volga region, in Kazakhstan. But in Afghanistan, no major tribe

fell into the trap. The only tribe that supported them in the Panjshir Valley in 1980 was the Mangala tribe whose leaders later withdrew their support.

The Soviets also hoped to exploit the urban-rural dichotomy. They believed that the rural areas could be easily contained once urban areas were controlled. But they found that resistance was as strong in rural as in urban areas. The fact that Kabul and all other major Afghan towns remain under curfew after 8 p.m. suggests that the Mujahideen are a force to be reckoned with there.

The Soviets were also hopeful of being able to co-opt Afghan tribal elites, as they had done in Central Asia. They were confident that once the leadership was accommodated within the Soviet apparatus, the people would give in. However, they failed to take into account the democratic structure of tribal society in Afghanistan.

The tribes have a tradition of calling assemblies, popularly known as *jirgas*, in times of crisis. These assemblies are authorized to take and implement decisions which are binding on each member. No *jirga* after 1978, has approved Soviet presence in the country. The Karmal regime tried to organize a national *jirga* in early April this year but did not get the support of the tribes. Most of its participants were either government officials or Communist Party members who were presented by the regime as tribal representatives.

In Afghanistan, Sufi families enjoy a prominent position. They carry more

power than tribal chiefs and most have called for a *jihad* against Soviet occupation. The regime is well aware that tribal chiefs would not oppose such a call.

The Soviets also hoped to raise a subdued national elite to work for them in government. But the Parcham and Khalq factions of the Afghan Communist Party are at loggerheads and they have thus been unable to provide a strong leadership.

On the other hand, the Mujahideen have mass support to the extent that civilians are regarded as unarmed Mujahideen. Their leadership is respected and accepted by the majority of Afghans. The Mujahideen have also created a successful nucleus for unity. Most Afghan fighting groups are now known to each other and there is a regular exchange of arms among them. In the recent Soviet offensive in Khost, Mujahideen groups from other regions joined the Hizb-e-Islami group. Such co-ordination obviously worries the Soviets.

Another source of Soviet weakness is the reaction of the people of Central Asia to the Soviet presence in Afghanistan. It is reported that Muslim Tajiks, Uzbeks and Daghestanis are becoming increasingly active in their opposition to the Soviet regime. During the past three years, major towns in Tajikistan and Uzbekistan have seen regular attacks on the Soviet army and police. There are reports of Soviet officials being killed in these attacks. The Communist leadership in Moscow must be anxious to pull out of Afghanistan before the *jihad* starts to find an echo in Central Asia.

Soviet withdrawal from Afghanistan, however, does not only depend on the will of the Kremlin. Much also depends on the U.S. which has been using the Jihad in Afghanistan for its own political interests. The U.S. wants to establish a strong military presence in South Asia in order to keep an eye on the Persian Gulf, which is its lifeline. To do that it needs a pretext which the Russian occupation has provided.

If in the Geneva summit, the two superpowers decided to safeguard each other's interests, the U.S. will not

need the pretext of Afghanistan to maintain its military presence in the region. The U.S. and its allies can then conveniently forget the fight of the Afghan people for freedom and self-determination.

The expected barter between the superpowers will prove conclusively that freedom and independence cannot be achieved by depending on others. Only by defending itself from two equally opportunistic superpowers can the Muslim world make itself truly strong and free.

/13104

CSO: 4600/203

PAKISTANI TROOPS CRUSH TRIBAL REVOLT IN KHYBER PASS

Tehran KAYHAN INTERNATIONAL in English 10 Dec 85 p 4

[Text]

ISLAMABAD, Dec. 9 (Reuter) — Officials maintained a news blackout today on the situation in Pakistan's Khyber Pass where President Mohammad Zia-ul-Haq said his troops had crushed a tribal revolt.

Zia, in a surprise statement in Dhaka, described as a revolt what officials earlier called resistance to a large-scale military operation against dissident tribesmen.

'Everything is now nice and quiet,' he said of the lawless area, which was still blockaded by troops and cut off from outside telephone lines.

The military operation began a week ago when thousands of troops entered the pass to disarm dissident chieftans receiving weapons from Afghanistan.

All but two escaped to remote mountainous areas of the Khyber and their leader, Wali Khan Kukikhel, vowed to bring in heavy weapons from Afghanistan to fight the troops.

Zia, in Dhaka for last weekend's South Asian Summit, told reporters: 'A small ... military force in combination with civil armed forces... cleaned up an area and challenged some of the individuals indulging either in narcotics or in arms trade.'

'We have brought peace and tranquillity over a period of three days or so,' he added.

The Khyber Pass is part of Pakistan's autonomous tribal belt. The area is a pipeline for much of the world's heroin as well as sanctuary for Western and Arab-backed rebels fighting Kabul's communist government.

Informed sources in Peshawar, said tension remained high today. Troops were still bulldozing the fortress-like houses of tribal chiefs who had accepted free Kalashnikov rifles from Kabul.

Javed Khanzada, the official leading the unprecedented army action, maintained his temporary headquarters in the British-built Jamrud Fort at the foot of the pass despite a firefight around another fort nearby, they said.

Dissident tribesmen fought a four-hour gunbattle with troops at Jamrud — near Kukikhel's now demolished house — on Saturday night, the first prolonged fighting reported.

Zia said troops had set up military posts at the mouth of the pass.

The Islamabad Daily Muslim said in an editorial

that stationing troops in the area was the worrying result of a mismanaged drive to crack down on the Khyber drug traffic.

'The government clamp-down on the (heroin) trade, which resulted in its transfer from many hands to a few, is considered by the tribesmen... to be against agreements made with them,' it said.

The Muslim did not spell out how it thought the anti-drug drive was being mishandled.

Tribal politicians say some officials pocket funds intended for opium poppy substitution programs and allow friends to smuggle drugs while arresting other traffickers.

A spokesman for Tehrik-i-Ittehad-i-Qabail (Tribal Unity Movement), the only all-tribal political organization in the border area, said the current campaign was polarizing tribesmen and could lead to further fighting.

'The danger exists that the tribes will start fighting with each other,' Syed Yusuf Hus-sain told journalists. 'Those armed by the (government's) political agent will fight those who are not.'

A tribal Jirga (Assembly) held near Peshawar last Wednesday voted no-confidence in both Kukikhel and Nader Khan Zakhakhel, the leading chief paid by the government to stop tribesmen bringing Afghan guns into the Khyber.

/13104

CSO: 4600/204

PAKISTAN PLANS PERMANENT MILITARY PRESENCE IN KHYBER PASS

Tehran KAYHAN INTERNATIONAL in English 8 Dec 85 p 7

[Text] ISLAMABAD, Dec. 7 (Reuter) — Pakistan plans to keep a permanent military presence in parts of the lawless Khyber Pass where Kabul-backed tribal chiefs have consistently defied Islamabad's authority, officials said today.

The officials, who asked not to be named, said army posts would be set up on mountains overlooking the Peshawar plain, the area at the mouth of the Khyber Pass

dominated by leading rebel chief Wali Khan Kukikhel.

Islamabad last Sunday sent thousands of troops and dozens of tanks into the pass, especially Kukikhel's area near Peshawar, to force the surrender of 16 chiefs said to be armed by Kabul.

All but two of the 16 bowed to the unprecedented show of government force, but Kukikhel took to the hills and threatened to fetch heavy weapons from Afghanistan for a showdown with the troops.

The decision to post troops on the hilltops marked a further hardening of Islamabad's position in the week-long dispute, which prompted Afghanistan to warn Pakistan of the risk it was running by taking on the independent Pashtun tribes.

The proud Pashtuns prevented the British penetrating the north-western fringe of the Raj and have since been allowed to live by their own laws and engage in petty smuggling in the autonomous area.

But the tribal belt is now the source of much of the world's heroin and key transit area for western and Arab-backed Muslim insurgents fighting the Communist government in Afghanistan.

Pakistan wants to extend its influence there to stop the flow of drugs while Afghanistan aims to do the same to block the insurgents.

Kabul began an all-out campaign to woo Pakistani tribesmen this year, inviting them to Jirgas (Tribal Assemblies) and giving them free Kalashnikov assault rifles.

Radio Kabul has urged the tribes to resist the Pakistani troops, hinting in fiery Pashtu-language broadcasts to the area that Afghanistan might help them if they did.

Officials in Peshawar said they had tried several times this year to curb Kabul's influence, including shelling Kukikhel's house, but the tribes continued to defy them.

HEALTH CLINIC PROVIDING FREE SERVICES

Kabul HEYWAD in Dari 5 Nov 85 p 4

[Text] The purpose for establishing a health insurance service is to provide health services for all government employees and workers free of charge so that government workers, employees and their dependents can benefit from the medical services of the health clinics with a peaceful mind. Here it should be noted that as of 1358 [21 March 1979 - 20 March 1980] the Health Insurance was renamed the Urban Central Polyclinic for government employees and workers and all the workers and employees who have a valid membership card can use its services without charge.

While making the above statement, the responsible source also added: The Urban Central Polyclinic operates in two shifts. The morning shift belongs to the women and children while the afternoon shift belongs to men. Of course, those female patients who are official employees of government can also apply to the above-stated clinic in the afternoons, if they need to do so.

This polyclinic which has 30 medical specialties receives between 750-800 patients everyday. The government employees and workers polyclinic is staffed by skillful specialists from the Soviet Union and our homeland and it is also equipped with the most modern medical equipment. Of course all the medication which is prescribed by the doctors is provided gratis to the patients. Certainly, those patients who are diagnosed with more complicated diseases will be referred to one of the government hospitals for treatment.

With regard to the particular concern of the PDPA and the government of the DRA, in order to improve and develop the services of the polyclinic in a manner which is beneficial to our honorable fellow countrymen, the following measures have been adopted:

- Annulment of membership fees for the government employees as of 1358.
- Rescindment of the limit of the number of children who can be admitted from each family--since formerly only three children from each family could be admitted--whereas now this limitation has been revoked and all the children of a family can benefit from the medical services of the polyclinic.
- Physiotherapy, dental and obstetric services with modern equipment.

- Annual expansion of the total number of the new patients who are admitted to the polyclinic according to the pertinent plan.
- Expansion of the preventive and treatment services.
- Expansion of the health services which are provided to the workers and employees of the industrial institutions in the city of Kabul according to the annual plan.
- Until the first quarter of the year 1364 [21 March 1985 - 20 March 1986] the representative staff of this clinic in the production and industrial plants have been distributing free medicine to the patients who have had a valid doctor's prescription free of charge.

12719

CSO: 4665/23

DRIED FRUITS MAKE UP EXPORT BULK

Kabul HEYWAD in Dari 10 Nov 85 p 4

[Text] The institute for the export development of raisins and other dried fruits of Afghanistan is a non-profit service organ within the framework of the Ministry of Commerce, which controls and investigates the issues concerning the improvement of quality and quantity of raisins and production of other dried fruits; it also prepares and regulates the necessary standards for raisins and other dried fruits according to domestic and foreign marketing demands as far as packaging, grading and certain other required standards are concerned; furthermore, this institute provides all the necessary assistance in resolving any disputes which might arise as a result of the purchase, sale, processing or trading of raisins or other dried fruits according to the policy of the PDPA and the government of the DRA from the viewpoint of commerce.

A source from the Raisin Export Department, while noting the above statement, also pointed to the role of the export of raisins in the economy of the country and said: Raisins are one of the major export items of the country which annually bring in about 130 million dollars of revenue and accordingly raisins and other dried fruits of Afghanistan from the standpoint of foreign currency revenue occupy second place on the roster of nation's exports, after the natural gas.

As regards the export of raisins, the abovementioned source added: The annual volume of raisin export depends on the situation of the crops and the demands of the buyer or purchasing countries. And if on the whole we take the previous years' statistics as a criterion, we notice that on the average about 80,000 tons of raisins and 10,000 tons of dried fruits have been exported annually.

Since raisins and other dried fruits comprise some of the major export items of our dear country and we earn a considerable amount of foreign exchange from their sale, the above-stated institute has taken the following steps in order to acquire more credibility and create a situation for positive competition in the export of quality raisins.

- Propagation and promulgation of a modern system of grapevine plantation to replace and change the older or traditional system and make use of technical relevant experiments through the creation of pilot grapevine farms in five provinces of the country.

- Propagation and teaching of a modern method for gathering and drying grapes to replace the traditional system of drying them on the ground and instead making use of new plastic panels and certain proper solutions or liquids.
- Encouraging the owners of vineyards in constructing primary storage areas in the production centers complete with appropriate paraphernalia and similarly encouraging the raisin processing plants to enhance and improve the quality of raisins.
- Enacting national standards for afghani golden and dark raisins according to international norms and comprehensive checking and control by relevant inspectors in processing plants.
- Dispatching professional marketing and research delegations abroad to study the foreign markets and train the members of such delegations in the theoretical and practical production and trading sector of raisins. Furthermore, installing three large raisin storage houses in the region of Pole-charkhi, each with a capacity of 2,000 tons.

The aforementioned source added: According to the available statistics, on the average, after the advent of the glorious Sawr revolution, the export of raisins to foreign countries increased in comparison to the years before the revolution. For instance, the total quantity of raisins and other dried fruits which were exported in 1357 [21 March 1978 - 20 March 1979] amounted to 85 tons while the next year the figure rose to 111 tons, which in itself signifies the growth and development export level of such specific items.

Finally, as regards the variety of afghani raisins, the source said: In general there are three varieties of raisins namely the dark, the golden and the red raisins which are exported. It should be noted that the best varieties of raisins come from the district of Deh Sabz of Kabul, Parvan Province [Ghazni], Sang-Charak and Herat.

The afghani raisin is exported to most European countries such as Great Britain, West Germany, Finland, Denmark, Holland, Sweden, Ireland, France and also to socialist countries such as the USSR, Czechoslovakia, East Germany, Bulgaria and Asian countries namely India, Pakistan, Kuwait, Saudi Arabia and others.

However, the major market for afghani raisins is in the USSR and in the free world markets Great Britain and some Asian countries such as India and Pakistan comprise some other important markets for afghani raisins.

12719

CSO: 4665/23

BRIEFS

TROOPS KILLED, CAPTURED--Eleven soldiers from the combined Soviet and Afghan government troops were killed and 34 taken prisoner by Afghan Mujahideen in attacks on them north western Faryab province bordering the Soviet Union. Agency Afghan Press here said also that a total of seven Soviet soldiers and one Soviet adviser were killed in separate attacks on their security posts in Rastak area on Nov. 12. Another AAP report said 34 Afghan government troops were captured as Mujahideen stormed their concentration centers around Shirin Taghab town. Meanwhile Soviet occupation authorities are said to be building another airport in Khairot area of Paktia province near the Pakistan-Afghan border. A large number of joint trips from Sharna and Ghazni have been despatched to the area where the new air base is being built, AAP reported. Work on the airport reportedly started last June, but was stopped due to military operations in the province. The air base will be third largest of its kind after Bagram and Shindan. [Text] [Tehran KAYHAN INTERNATIONAL in English 7 Dec 85 p 1] /13104

CSO: 4600/203

U.S. MAP, NCNA INSPIRE INCREASE IN SIACHEN DEFENSE

Madras THE HINDU in English 1 Jan 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 31.

The Government of India has told Pakistan that it is prepared to begin the new dialogue for better relations with a meeting in the next few days between the two defence secretaries to discuss the Siachin glacier dispute, before the Finance Ministers meet to explore the possibilities of economic cooperation.

It has been indicated that the Indian Defence Secretary, Mr. S. K. Bhatnagar, accompanied by the Director of Military Operations, Lt. Gen. P. N. Hoon, was prepared to visit Islamabad later this week, on January 4, for talks on the Siachin glacier issue if his Pakistani counterpart was ready for discussions at this short notice.

No response

But, until this afternoon, there was no response from Islamabad agreeing to the proposed date or suggesting an alternate one for this meeting to which the Pakistani President, Gen. Zia-ul-Haq, attached great importance during his recent talks with the Prime Minister, Mr. Rajiv Gandhi, in Delhi. If the first week of January is not convenient to Pakistan, then this meeting will have to be deferred until the end of this month or early next month, since the Indian Defence Secretary has other commitments.

The Pakistan President wanted the Army chiefs of the two countries to meet to discuss the Siachin issue, but the Prime Minister felt that it would be more appropriate for the Defence Secretaries to conduct these talks with such advice as they might need from the milit-

ary experts on technical interpretation of what could be legitimately deemed to be an extension of the line of actual control in this region. Gen. Zia reluctantly agreed to Mr. Gandhi's suggestion when it was pointed out that under the Indian dispensation the Defence Secretary and not the Army chief is the right person to engage in such discussions.

'Some concessions'

As India is in full control of the strategic mountain passes that provide access to the main axis of the Siachin glacier from the Pakistani side, the Zia regime came forward with this proposal for talks at the level of Army chiefs in the hope of extracting some concessions that could indirectly reinforce Islamabad's contention that the line of actual control should be logically extended towards the Karakoram pass in the north-north-east and not perpendicularly northward towards the Karakoram range.

It was the publication in some American military maps of this wrong delineation of the extension of the line of actual control towards the Karakoram pass, based on the totally untenable Pakistani contention, that India became alert and took steps to strengthen its defences in the Siachin glacier to forestall the Pakistan army from establishing a link up with the Chinese in the Aksai region. But, what has made India even more wary was the release of a Hsinhua news agency commentary in the midst of the sixth round of the Sino-Indian border talks in November upholding the Pakistani position.

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CSO: 4600/1331

REPORTAGE, COMMENT ON 12TH CONGRESS OF CPI-M

Namboodiripad Article on Congress Eve

Calcutta THE TELEGRAPH in English 23 Dec 85 p 6

[Article by E.M.S. Namboodiripad]

[Text]

It has become a common practice among political commentators to talk of "Rajiv Gandhi's new economic policy," his "new style of political management" etc. As if the present Prime Minister has been making and is continuing to make departures from the economic and political policies of his predecessors.

Some of those who speak in this strain approve of Rajiv Gandhi's policies. "A fresh wind" is, according to them, "blowing in governmental policies." They echo the confident assertion made by the Prime Minister himself that, through his policies, he would take the country into the 21st century. On the other hand, there is a section of political leaders and commentators who too talk of Rajiv's "new economic policies." The former includes a large number, if not the majority, in big business circles, while the latter includes the left and democratic Opposition parties.

While agreeing that there is an element of truth in saying that Rajiv Gandhi has made some departures from his predecessors' policies, it should be emphasised that he is operating within the broad

framework of the basic policies adopted by the Congress when it became the ruling party just over 38 years ago. Whatever departures he has been making are, in other words, new forms, in which the class policies formulated on the eve of and immediately after independence by the Congress leaders, are implemented.

The essence of those class policies formulated by Jawaharlal Nehru, carried forward by Indira Gandhi and now continued by Rajiv Gandhi, is the development of capitalism, modernisation of socio-cultural and economic life within the basic political system of bourgeois democracy. Having adopted this framework, Jawaharlal Nehru himself, and after him his daughter, had to make changes in concrete details, each of which was in a sense a departure from the earlier policy. All such changes were necessitated by the growing intensity of the economic and political crisis in the country.

Take for instance Jawaharlal Nehru's initial efforts to develop the Indian economy along capitalist lines with assistance from developed capitalist countries including

the UK and US. It was to these leaders of the capitalist countries that he went first with the request for "aid" in planning the economic development of the country. Disappointed in these efforts to get support from capitalist countries, but highly impressed by the phenomenal revival and reconstruction of the Soviet Union, followed by the unprecedented growth of socialist China, he opted for what was called a "tilt" towards socialist countries. Together with the need for a "radical" appearance following the electoral reverses in 1952, this led him to make important changes in internal policies.

The framing of a new second Five Year Plan with emphasis on heavy industries in the public sector was, for instance, a "departure" from the earlier policy but did not contradict it: The "tilt" towards the socialist countries and the heavy industry-based public sector units were the means through which private capitalism was being speedily built up and their owners helped to grow bigger and bigger. Nehru himself had to admit subsequently that the result of planning under his leadership was that "the rich

were becoming richer and the poor being impoverished."

Coming to the political plane, let us recall that the first Prime Minister of the country was so intolerant of any Opposition party returned in majority to state legislatures and forming state governments that he presided over that combination of unconstitutional agitation from below and Central intervention from above to dismiss the first stable non-Congress government in the country (in Kerala). Furthermore, swallowing all his earlier thunderings against the Muslim League and other communal organisations, he gave his blessings to the electoral alliance of his party with the Muslim League in Kerala for no other reason than that he wanted to prevent the coming back to office of the communist government. This was undoubtedly a departure from the declared policy of elected legislatures to which the executive is responsible, but it was in consonance with the class policy of one-party rule.

Then came the dispute with China. Though he lauded socialist China and its achievements to begin with, Nehru stretched the border dispute with that country to the point of a hostile attitude, rejecting the proposals made by Zhou Enlai for a settlement on the basis of give and take. The humiliating experience of the hostility into which the Indian armed forces were landed made him seek the support of the United States "air umbrella" and the assistance of the powerful United States radio network. That indeed was an anti-climax to the process he had started of actively helping the emergence of an anti-imperialist nonaligned movement in the world.

Did the first Prime Minister of the country make these changes in policy because of his weaknesses as an individual? No. It all happened because he was the representative of a class which had come to power in this country at a time when the world capitalist system was enmeshed in an extremely deep and evergrowing crisis. The bourgeoisie in

India had, in fact, become the ruling class when not only had the first socialist country in the world completed its 30-year existence but an alliance of new socialist countries, a definite socialist camp, had emerged. The new ruling class, the bourgeoisie, was moved by its class prejudices against the socialist camp but was faced with the aggressive moves of the capitalist camp. The US ruling circles were in fact building up Pakistan as a neighbour who could threaten the security of, and create conditions of destabilisation in, India. Nehru's moves towards the US and the Soviet Union alternately were a reflection of this class position.

Assuming power as it did under the inauspicious circumstances of the biggest tragedy in Indian history—India-Pakistan partition accompanied by the worst communal holocaust—the Congress rulers have been going from crisis to crisis. The first Prime Minister, Jawaharlal Nehru, and his daughter-successor therefore had to make repeated changes in the new situation.

Indira Gandhi in her 18-year-long rule followed her father and continued the policy of nonalignment. The relations between India and the Soviet Union were still more strengthened when she had the Indo-Soviet Treaty signed in the early 1970s. As for socialist China, she took the initiative in paving the way for the restoration of normal relations which had been broken off in the early 1960s. While helping the people of Bangladesh in liberating themselves from the military regime of Pakistan, she took steps to establish relations of friendship and cooperation with the state of Pakistan. Together with the positive role played by her government in the nonaligned movement, these measures raised India's prestige in world politics.

While appreciative of all these positive aspects of the foreign policy pursued by Indira Gandhi, our party (CPI-M) could not but take note of the negative elements of the foreign economic policy which may be summed up as reliance on

such international organisations of monopoly capital as the World Bank and the IMF, as well as private multinational firms, for implementing the Five Year Plans. This led her first to the suicidal step of the devaluation of the rupee which was taken on the "advice" of the World Bank and other agencies of international capital. Having taken this first step after assuming office in 1966, she moved further in subsequent years to accept the "conditionalities" laid down by the IMF for its loan. Both these measures became the targets of criticism by well-known economists in the country as highly detrimental to national interests.

This pro-capitalist tilt in the economic aspects of foreign policy is, in the opinion of our party, likely not only to worsen the country's economic situation, but also to endanger the very anti-imperialist aspects of the foreign policy which we support. That is why we have never taken the stand that the government's foreign policy as a whole deserves the full support of the left and democratic forces. Making a strict distinction between the political and economic aspects of foreign policy, we give general support to the former but oppose the latter.

It should be noted further that both the political and economic aspects of the Congress government's foreign policy are a reflection of the deep crisis into which the present-day capitalist world has driven developing countries like India. The growing intensity of the crisis drives imperialism towards a policy of brazen attacks on the independence, sovereignty, national unity and integrity of all independent countries, developing countries in particular. This was seen in Korea, Vietnam, West Asia, southern Africa etc. This is seen today in West Asia, Grenada, southern Africa, Afghanistan, Kampuchea and so on.

In the case of our country, this is seen in the policy of endangering our national security and independence by arming such aggressive neighbours as the Pakistani militar-

ists, transforming our entire neighbourhood including the Indian Ocean into a base of American arms, giving direct and indirect assistance to various divisive and separatist forces inside our country etc. There is, therefore, no alternative before the people of our country, including the ruling classes except offering resistance to these aggressive moves of imperialism.

Parallel to this, however, is the developing crisis of the capitalist path of development adopted by the Congress party. As our party—the then undivided Communist Party of India—pointed out at the time of the formation of the second Five Year Plan, there is a contradiction between the objectives of planning declared and the policies enunciated to realise those objectives. Instead of mobilising the country's resources lying in the vaults of the big landlords and monopoly capitalists, the government adopts a policy of squeezing the poor and middle classes. Instead of rousing the productive enthusiasm of the toilers in factories, fields, offices and education institutions for national development by conceding the democratic demands of the people, the government is alienating them through its anti-working class, anti-peasant, anti-poor policies. Instead of a steady improvement in the living and working conditions of the mass of poor and middle classes, the planning process helps a handful of wealthy people to become still more wealthy while the majority of the common people are getting more and more impoverished. The result is that today, three decades after the second Five Year Plan was formulated, all the problems of people's life, such as prices, employment, etc as well as the state and Central governments' budgets, balance of trade and payment, etc have become far worse than at any time in the history of independent India.

This is the legacy left behind by Indira Gandhi which her son has to carry. The question is how he is doing it, whether his approach to external and internal problems (economic

and political) are in consonance with or opposed to the national interests. The question, whether Rajiv Gandhi as Prime Minister is working within the framework of or departing from the policies of his grandfather and mother, is part of the larger question posed above.

Taking the political aspects of foreign policy first, it is perfectly clear to me that Rajiv has been as firm in the defence of nonalignment as his predecessors. The efforts made by the Indian and foreign adversaries of nonalignment to deflect him from the policy of friendship with the Soviet Union, of cooperation with the nonaligned countries and of opposition to imperialism, have failed. No anti-imperialist in India or abroad will subscribe to the view that India, after his becoming the Prime Minister, has had a tilt to American imperialism. Reagan's America is so much on the offensive that no Indian Prime Minister can afford to make a tilt towards it or away from the socialist and nonaligned countries.

Then comes the question of the new economic policies which Rajiv Gandhi has formulated. They have an internal as well as a foreign aspect. In respect of both, he has made an obvious departure—larger concessions to internal and foreign monopolies. The Central Budget introduced in March, the new export-import policy, the new textile policy—all these have been characterised as favouring the foreign and internal monopolies. Our internal market is being increasingly thrown open to foreign monopolies. The tie-up between the Indian monopolies and foreign multinationals is being given the biggest boost in the history of free India.

This in one sense is a departure from the policies originally laid down by Jawaharlal Nehru and carried forward by Indira Gandhi. Hence, the sense of relief felt by individuals, groups and mouthpieces of big business in India and abroad. They hail Rajiv Gandhi as a "deliverer" from the "intolerable ties" that had

bound them hand and foot.

It, however, is no departure from the basic policy of developing the Indian economy along capitalist lines. The crisis of world capitalism is far deeper today. Its impact is felt more than ever before.

To take one instance, the balance of trade and payments has now become so critical that only two ways are open before the government: either drastic reduction in imports and conserve our resources, "liberalise" imports as "advised" by the World Bank and the IMF; either mobilise internal resources by taxing the rich and rousing the production enthusiasm of the toiling people, or "attract" foreign capital as "advised" by the World Bank and the IMF; either expand the democratic rights of the working people, their organisations and political parties and seek the cooperation of the popular masses in the formulation and implementation of development plan, or launch vicious attacks against the civil liberties and democratic rights of the people.

These, in fact, were the two alternatives posed before Jawaharlal Nehru three decades ago. Indira Gandhi after him had to choose out of these very alternatives. Rajiv Gandhi today has to choose between the two.

Indira Gandhi's choice of the alternative of depending on the leaders of world capitalism cost the country dear. One of her first major decisions after taking over as Prime Minister, devaluation of the rupee, as is now recognised, ended in a national disaster. Her acceptance in her last days, of the big loan from the IMF whose "conditionalities" were accepted by her government has received wide and adverse comment from knowledgeable people. Rajiv Gandhi's "new economic policy" of "liberalisation" is a follow-up of, rather than a departure from this policy.

Rajiv Gandhi, however, has made a departure from his mother's and grandfather's policy: Nehru and his daughter had taken the country towards the building of the public sec-

tor and nationalisation of some sectors. Rajiv Gandhi is going back on it, as was seen in the March Budget and the policy pronouncements that followed it. Hence the encomiums showered on him by the spokesmen and media of big business.

Politically, he is as intolerant of the Opposition general, the left in particular, that he was not prepared to listen to the criticism voiced by the two CPI(M) chief ministers at the meeting of the National Development Council. Earlier, during his campaign for Assembly elections in March, he said that the same party should rule at the Centre and in the states. This, it can be seen, is the attitude consistently adopted by his predecessors in relation to Opposition gov-

ernments in the state of Kerala (1959) to Jammu-Kashmir and Andhra in 1984.

Rajiv Gandhi knows today, as his predecessors knew earlier, that his party is rapidly losing its credibility among the people, that it is faction-ridden from top to bottom, and that, therefore, it cannot continue to be at the helm of affairs in the country through the normal democratic process. He, therefore, follows in the footsteps of his predecessors in blessing the opportunistic alliances, such as in Kerala, Tamil Nadu and Jammu-Kashmir. This is the fertile soil on which growing divisive and separatist forces of various types prosper. This is posing another danger to the very existence of the nation.

Namboodiripad Opens Cultural Events

Calcutta THE STATESMAN in English 23 Dec 85 p 11

[Text] The anti-casteist, anti-communal and anti-authoritarian forces in the country would have to unite for struggle against monopoly, feudalism and imperialism, Mr E.M.S. Namboodiripad, general secretary of the CPI(M) said in Calcutta on Sunday. He was inaugurating the cultural functions in connexion with the 12th Congress of the CPI(M) at Salt Lake Stadium. Mr Namboodiripad ruled out the possibility of any compromise with the Congress (I).

He said that the CPI(M) was the only party which had been consistent in its opposition against casteist, divisive and communal forces. It was the only party which was following the right path to Socialism. Still, it was a small force in the context of the overall situation in the country.

The Congress of the CPI(M) is being held in Calcutta after a gap of 21 years. The seventh Congress of the party had been held in the city in 1964 just after the split in the united Communist Party of India and the birth of the CPI(M). The Congress will be inaugurated at Salt Lake on December 25 and will continue till December 30 when the open session will be held at the Brigade Parade Ground.

The politburo of the CPI(M) discussed during the past two days the programmes for the Congress, it was learnt. The central committee would meet on Monday and Tuesday. The different resolutions to be adopted at the Congress would be finalized at the central committee meetings.

Delegates for the Congress have started arriving from all over the country. A science exhibition and a book fair were inaugurated at Salt Lake stadium on Sunday as a part of the cultural celebrations. Seminars and film shows were also held.

Central Committee Meets

Bombay THE TIMES OF INDIA in English 24 Dec 85 p 9

[Text]

VARANASI, December 23 (PTI): A two-day meeting of the central committee of the Marxist Communist Party of India, which concluded here yesterday, demanded revision of the Assam accord in consultation with all concerned.

A resolution, passed at the meeting, said the Assam elections had confirmed the fear of the party that the "opportunistic Assam accord," sowed the seeds of permanent discord between various linguistic, religious and ethnical groups in Assam.

As a result, the committee believed, the elections failed to provide any stable government or stable peace in Assam. "In fact, the sharp division among the various sections of people of

Assam has further deepened," the resolution said.

The Central committee called upon various units of the party in five states of UP, Bihar, Rajasthan, Andhra and Tamil Nadu to mobilise people and launch a struggle against "anti-people policies of the government."

The resolution said the attempts of the Congress the government-controlled mass media and certain international forces failed to convince the people that Mr. Rajiv Gandhi's so-called march to the 21st century would resolve their problems of poverty, scarcity and unemployment.

"The Rajiv government pampered the capitalist and foreign monopolies

and increased the burden on the common man and their miseries also," the committee alleged.

Guwahati, (UNI): The Communist Party of India (Marxist) today said it would support all actions of the Asom Gana Parishad government for strengthening peace, amity and integration but would oppose measures harmful to the "true" interests of the people.

In a statement, the CPM state unit expressed its hope that the new government would make all efforts to maintain peace, safeguard the democratic rights of the people and protect the minorities.

However, it regretted that in certain areas of the state, peace was being threatened by lawless elements.

Basu Welcomes Delegates

Calcutta THE TELEGRAPH in English 26 Dec 85 p 4

[Text]

Calcutta, Dec. 25: The Centre has been making continuous efforts "to denigrate our government and party and to threaten us in various ways," the chief minister, Mr Jyoti Basu, said, while welcoming delegates to the 12th CPI(M) congress which began at the Salt Lake stadium here today.

Describing the Left Front government in West Bengal as a "bastion of the toiling people all over the country" Mr Basu said the Front governments in West Bengal and Tripura were looked upon by all "with high hopes." While trying to be worthy of this trust, the CPI(M) is fully aware of difficulties in running a Front government with the capitalist-landlord system in the state and the bourgeois government at the Centre, he added.

The chief minister said his government, despite its limited powers and various constraints, was trying to fulfil its pledge to the people. "We are certainly aware of our drawbacks and weaknesses and do not attempt to hide them from the people." He said the government depended on the CPI(M) and its supporters to dispel "the miasma of lies and slanders against us spread by various propaganda agencies of the Congress(I) and some of the largely circulated newspapers in various languages."

Mr Basu said "We try to correctly assess the consciousness of the people, neither underestimating nor overestimating it. Our uphill task must be understood from the fact that the Congress(I), despite its past mis-

rule, its unprincipled warring groups, its sheltering of antisocials is able to get the support not only of sections of upper layers of the society but to mislead substantial numbers of the common people."

The chief minister said West Bengal had undergone immense hardship due to partition and the influx of 70 lakh refugees from across the border. "Because of lack of opportunities in some neighbouring states, people even now come to this state seeking employment," he said adding that the special problems

of the state had not been taken into consideration by the Congress regime here and in Delhi. "The Congress governments at the Centre and in the state were more concerned about suppressing the Communists and the Left forces than in tackling the worsening economic situation," he said.

The proceedings of the Congress began with the hoisting of the party flag by the party general secretary, Mr E.M.S. Namboodiripad. All the Politburo members then placed wreaths on the martyr's column.

Twelve rockets were shot into the sky from which party flags emerged like parachutes. The chairman of the presidium at the main session was the Politburo member, Mr Harkishen Singh Surjit. Mr Namboodiripad declared Mrs Sushila Gopalan, Mr Dasarath Deb, Mr Abdullah Rasul and Mr U. Raman as members of the presidium.

Before Mr Namboodiripad's inaugural address, Mr Surjit read out condolence resolutions mourning the death of party leaders after the last party Congress at Vijayawada.

Namboodiripad Inaugural Speech Reported

Bombay THE TIMES OF INDIA in English 26 Dec 85 p 9

[Text]

CALCUTTA, December 25.

THE 12th party congress of the Communist Party of India (Marxist) began here today with an impassioned appeal by its general secretary, Mr. E. M. S. Namboodiripad, to the CPI to "show a greater measure of interest in united action with us as, without this, it would not be possible to achieve any meaningful unity of the left forces in the country."

Mr. Namboodiripad, who was delivering the inaugural address, ruled out any merger with the CPI — "The gulf of difference that exists between our two parties on various issues stands in the way of a merger." However, he pointed out that there were also issues on which the two parties agreed and added, "These areas of agreement should help us to come closer to each other and work unitedly."

The CPM leader welcomed the CPI's stand that it also wanted united action and hoped that now the leadership of that party would take steps to see that "the co-ordination committee between our two parties and the joint campaign committee on peace did not just remain paper organisations but played the role they were meant to."

The party congress is being held at the spacious "Yuva Bharati Krirangan", Asia's largest sports complex at the salt lakes. The entire area and the approach roads have been gorgeously decorated with flowers, red flags, and posters and Mr. Namboodiripad also chose to comment on

this when he said: "The excellent arrangements made here reveal the strength of the party in West Bengal where it is making tremendous progress in accordance with the principles of Marxism-Leninism."

SECOND CONGRESS

This is the second time that the party congress is being held in Calcutta. The first was in 1964, when the CPM came into existence after the split, and though politically of great significance could not match the splendour of the present show, understandably with a large part of the leadership in prison and the new party still recovering from the impact of the split.

Indeed, if one compares the present congress with that in 1964 it becomes evident that the CPM in West Bengal has travelled a long way in the last 21 years.

In the course of his inaugural speech, Mr. Namboodiripad made a distinction between the economic aspects of India's foreign policy and its political aspects. He said the CPM could not support the former as "it reveals a clear tendency to bow down to foreign monopoly capital". However, the party would continue to support the policy of non-alignment as well as Mr. Rajiv Gandhi's endeavours to maintain world peace.

Interestingly enough, Mr. Namboodiripad did not think that in the international sphere the political stand of India would be affected by the economic policy. He said, "There may be pressures from foreign monopolists on the government of India to change its stand on the issue of non-alignment but we feel that these pressures can be

and will be resisted."

On the home front, the CPM general secretary stressed the need for left and democratic unity, "not for the purpose of electoral gains but for waging movements against the anti-people policies of the government". Though the various conclaves of opposition parties had not achieved much, he was confident that a continuation of efforts for united action would yield the desired results.

Last month, Mr. Namboodiripad had inaugurated the state conference of the West Bengal CPM during which he had lashed out at the Prime Minister and had called him "as authoritarian as his mother and grandfather". This time, however, his speech contained no such pointed attack and there was only one general reference to "the authoritarian policies of the Congress".

From the West Bengal point of view it was also interesting to note that Mr. Namboodiripad did not make any effort to defend the policy of joint sector of the left front. He merely referred to the CPI's criticisms of it and said, "Let us agree to differ on the issue." He did not seek to elaborate on the theme and pointed out that the CPM was right and the CPI wrong on the issue.

As announced earlier, the Congress is not being attended by any delegates from abroad. However, messages of goodwill have been received from various communist parties, including those of China, France, Great Britain and Vietnam.

Till today no such message has been received from the Communist Party of Soviet Union, but Mr. Harkishen Singh Surjeet announced that "more messages are on their way".

Report on Second Day's Proceedings

New Delhi PATRIOT in English 27 Dec 85 p 5

[Text]

Calcutta, Dec 26 — The main task of the CPI-M is to ensure the democratic transformation of the country, not to usher in people's democracy, said M Basavapunnaiiah, the politbureau member while briefing the press on the second day's deliberations at the 12th Party congress currently being held here.

This has to be done, he said, by combating communal casteist and pro-imperialist forces in the country, in co-operation with the anti-imperialist and secular formations.

Mr Basavapunnaiiah denied any basic shift in the formulation of CPI-M in this respect. The concept of Left and democratic forces, he said, had probably kept certain things a little blurred, since even the Akali Dal had started articulating democratic demands which covered the interests of the entire people of Punjab. However, it slowly moved into communal posture which tended to turn separatist in the Anandpur Sahib Resolution, he maintained.

Similarly, he said, in Kerala, the Muslim League, the Kerala Congress and such other formations were communalising politics, while in States like Gujarat the casteist offensive is on. In order to combat all these forces, which divide the working people and endanger the very unity and integrity of the country, the term secular has been brought in.

He admitted that some party delegates wanted to strengthen the international aspect of the party's political resolution by inserting an amendment that in the world sphere the basic contradiction was between socialism and imperialism while the draft states that

the contradiction between imperialism and socialism sharpened. He also conceded that till late 70s the CPI-M had adhered to the Maoist formulation that internationally the main contradiction was between imperialism and the national liberation movements.

Internationally, he said, China was also moving in the correct direction, though haltingly. This is reflected in the fact that it is trying to mend its fences with the Soviet Union, non-aligned countries like India, as also supporting the world peace movement against US imperialism. This was a very hopeful sign, he added.

Regarding the domestic policy, Mr Basavapunnaiiah said that the Government of India should keep its nuclear options open.

On Sri Lankan Tamil problem, he said the Central Government has taken a positive stand. It is rendering all help to resolve the problem amicably. He said that the CPI-M does not support the demand for an independent Tamil state or region in Sri Lanka, by dismembering the country. Some sort of autonomy, within Sri Lanka to Tamil majority area could be a solution to the ethnic issues, he maintained.

In reply to a question as to how his party proposes to fight the alleged tilt of the Rajiv Gandhi Government towards foreign and domestic monopoly capital, while the West Bengal Government itself is inviting them. Mr Basavapunnaiiah avoided a direct answer. He only pointed out that no State government on its own can encourage these elements, unless cleared by the Centre. He said he would try to explain domestic matters being discussed in the party congress Tomorrow.

Bombay THE TIMES OF INDIA in English 27 Dec 85 p 9

[Text]

CALCUTTA, December 26.

UNDER pressure from a large number of delegates attending the 12th congress here, the leadership of the Communist Party of India (Marxist) today agreed to as many as 50 amendments to the draft political resolution, including one which sought to make more precise the party's stand on the rift in the international communist movement.

The draft resolution had merely regretted the continuing differences between the communist parties of the Soviet Union and China and hoped that these would be resolved.

This afternoon, Mr. M. Basavapunniah, politburo member, said, "We have incorporated amendments which sought to change the wording so that our party's desire for a settlement between the two parties becomes more pronounced."

While he would not elaborate on the nature of the amendments, it was known that several delegates wanted it made clear that the CPM considered the Chinese party "truly communist", China a "true socialist country" and the steps taken by the present Chinese leadership being in the "right direction of progress and peace."

For quite some time a section of the party has been under the impression that the leadership was tending to veer towards Moscow. With today's amendments, their feelings have been assuaged. Another amendment which was accepted made it clear that together with the Soviet Union, China was also fighting for world peace.

However, while through these amendments the party accepted China's role in the task of preserving world peace, the country was not mentioned by Mr. B. T. Ranadive who introduced the resolution. Instead, he only spoke of the Soviet peace proposals and the dangers posed by the Reagan administration to the socialist camp, and particularly the Soviet Union.

"LEFT, SECULAR UNITY"

Regarding the national scene, it is evident that the CPM is shifting from its position adopted at Vijayawada four years ago when it had given the call for a left and democratic unity. This time the call is for a unity of leftist and secular forces and Mr. Basavapunniah made it clear that the party did not think that organisations like the Bharatiya Janata Party fitted into this scheme.

Press Briefed on 27 Dec Session

Calcutta THE STATESMAN in English 28 Dec 85 pp 1, 9

[Text] Mr M. Basavapunniah, member of the CPI(M) politburo, said in Calcutta on Friday that his party would not be happy at the decline of the Congress(I) before an alternative democratic force emerged in the country. The growing absence of inner-party democracy in "this leading party of the country" was causing its decay and disintegration.

"We will not feel happy if this party goes down without the emergence of a viable democratic alternative. Such a situation will help imperialist and regressive forces to dismember the country. Our concern for the Congress(I) is because it affects our future. We want to take over a united and not a fragmented India," Mr Basavapunniah remarked.

Briefing the Press on the proceedings of the party's 12th congress, Mr Basavapunniah said the CPI(M) had expressed its grave concern over the country's future. What had caused serious concern was the past 38 years experience of the Congress(I)'s conciliatory stance on communal and

separatist forces either to stay in power or to come to power in various States. Its alliance with "separatist" elements such as the TUJS in Tripura or the various caste and community groups in Kerala was indicative of this. Its "weak" stand on the Shah Bano case and giving concessions to communal forces had caused despair. Though the Congress(I) could not be bracketed with communal parties such as the Muslim League BJP and Kerala Congress, its fight against communal and separatist forces was not committed and firm enough to evoke administration. "If the Congress(I) does not fight against these evils, the fight becomes weak," he commented.

Mr Basavapunniah said his party always stood for principles and would not compromise with communal and divisive elements. Had the CPI(M) assumed an opportunistic role, it could have brought down the Karunakaran Ministry in Kerala with the help of communal elements. But the CPI(M) would never align itself with religious and obscurantist forces, he added.

The CPI(M) leader said his party's complaint against Mr Rajiv Gandhi was that he was damaging the self-reliant growth of capitalism in the country. He quoted a recent speech of Mr Jyoti Basu at the FICCI meeting in which the Chief Minister had urged the capitalists to boost capitalism by rooting out feudalism. Mr Basavapunniah said that while his party's struggle against the Congress (I)'s authoritarianism would continue, it would not oppose fighting communalism and separatism jointly with the Congress(I). The Congress(I) was not "untouchable." "After all, we are working with the Congress(I)'s anti-imperialist struggle, in support of peace and non-alignment. India must be democratically united," the CPI(M) leader remarked.

Mr Basavapunniah said the party had rejected amendments which called the non-alignment policy of the Government "dubious." One of the arguments in favour of the amendment was that by supporting the non-alignment policy, the party would be diluting its struggle against the ruling party's authoritarianism. "The amendment was put in slyly, but we rejected it saying that whatever be the bourgeois motive behind the Government's policy of non-alignment, it is firmly anti-imperialist and increases the possibility of popular struggle. It would even help the establishment of people's democracy," Mr Basavapunniah observed.

On Friday, Mr B.T. Ranadive, while rounding off the discussions on the political resolution, exhorted the delegates to build a broad resistance against authoritarianism to strengthen Left and democratic unity and to expand the independent activities of the party and its mass organizations in a big way. This would help the party mobilize people to defeat the forces of authoritarianism, the divisive forces and imperialism.

Mr Basavapunniah, in reply to a question, said that Mr N.T. Rama Rao, the Andhra Pradesh Chief Minister, was secular though in many ways he was not different from the Congress(I). "But caste and communal conflicts are not a daily occurrence in Andhra Pradesh as these are in the Congress(I)-ruled States. This is a big point in his favour," Mr Basavapunniah remarked.

Regarding the Left Front Government's proposal to sell sick industrial units to private industrialists, Mr Basavapunniah said there was difficulty in applying theory into practice. The State Government did not have the resources to run the sick industrial units for an indefinite period. The Left Front Government had to be realistic while contending with reality, he added.

Mr Basavapunniah said the delegates at the congress had called for strengthening of the agrarian sector. Whatever reforms had been enacted were either inadequate or were not being implemented. The delegates cited the sad record of agrarian reform in Congress(I)-ruled States. In their speeches, they had called for agrarian reforms which alone could do away with the serious problems of landlessness and increase the purchasing capacity of the rural poor.

The party congress paid handsome compliments to the Left Front Government in West Bengal and Tripura for protecting the rights and liberties of the people despite the continuous attempt by the Centre "to throttle them."

A resolution adopted at Friday's session listed a number of achievements of these two Governments. These were: rise in wages of workers and their better working conditions; land reforms and successful implementation of the Operation Barga programme; democratic functioning of the panchayat system; firm stand against divisive and communal forces; the Tripura Government's successful tackling of the tribal issue; and prevention of atrocities on the backward classes and the rural poor.

The resolution called upon the people of India to rise "in defence of these Governments," which had been described as "advanced outposts of democracy."

The congress conveyed its greetings to the Sandinista National Liberation Front and the Nicaraguan people for standing up against "constant hostility and threats from the USA." A resolution said the USA, after the overthrow of the Washington-backed Somoza regime in 1979 had imposed economic sanctions on Nicaragua and had been trying to disrupt life in that country by extending support to the mercenaries called "Contras" who were indulging in anti-national and terrorist activities.

On the third day of the Congress, the party continued to receive greetings from fraternal parties of Cuba, Japan, Hungary and Kampuchea. Party leaders said greetings from the Soviet Communist Party was yet to reach them.

Namboodiripad Presents Report

Calcutta THE STATESMAN in English 28 Dec 85 p 9

[Text]

THE organizational report of the CPI(M), presented by its general secretary, Mr E. M. S. Namboodiripad, at the 12th party congress at Salt Lake stadium on Friday, underscored the need for evolving "new principles" to strengthen the organization of the party and its frontal wings. The report, according to party sources, regretted the inability of the party and its mass organizations to forge ahead in the "weaker areas".

Though the report took note of the party's growth during the past four years, it described the growth as "uneven". Certain States, it said, continued to lag behind, "unable to share the progress in others". This phenomenon was attributed to "federalist tendencies" in the party. The Salkia plenum's warning against these tendencies had been taken "lightly", the report complained.

In a rather unusual tone of self-examination, the report lamented that there was "not much conscious effort" to fight these tendencies. This had proved a "great obstacle to the development of the all-India party". The congress reiterated the Salkia plenum's appeal to fight federalism "consciously and seriously". Federalism

"in reality is liquidation of a centralized party without which the revolutionary cannot advance", the report said.

The organizational report complained that because of this "federalist" approach, stronger States often failed to "render proper help to the weaker States". This happened because the importance of all-India movements, especially in the weaker areas, was not realized. The Salkia plenum's directives for reviews of mass movements and political activities were "rarely followed". This led to the "abandonment of criticism and self-criticism within the party".

Though the nature of discussions on the organizational report was kept a closely-guarded secret, it was learnt that delegates from the "weaker States" had complained of inadequate assistance from "stronger" units in building up mass movements at the all-India level. The party was also worried that, instead of gaining the "spread effect" from stronger States to the weaker ones, it seemed to have lost some ground even in traditional pockets of influence in States such as Bihar, Punjab, Assam and Andhra Pradesh.

Final Day's Session

Bombay THE TIMES OF INDIA in English 30 Dec 85 p 9

[Text]

CALCUTTA, December 29.

THE central leadership of the Communist Party of India (Marxist) had directed the delegates to the 12th congress here today to make detailed studies of the agrarian and the tribal situation in the country.

Briefing the press, Mr. Basavapunniah said "their findings will be incorporated into the report which will then emerge as a more complete guideline for the party in the coming days."

These directions are significant in that they bring days." Sharp focus the fact that, in an essentially agrarian country, a Marxist leadership has not been able so far to fully grasp the complexities of the rural problem.

Delegates from different states made no secret of their feeling that without such an understanding the party could not expect to grow, particularly in the northern heartland.

Another serious shortcoming of the party was revealed through Mr. Basavapunniah's speech at the congress, while rounding up the debate on the organisational report. He told delegates: "The task today is not merely to strengthen the party centre but to develop a national outlook. Unfortunately even in our party there are comrades who first think of themselves as Bengalis or Keralites and then as Indian. This is dangerous both for the country and the party."

Today the congress adopted a resolution endorsing the industrial policy of

the left front in West Bengal. Supporting the move for joint sectors, the resolution said, "The question here is not capitalism versus socialism, but how to run the ministry so that people get more confidence in it and are prepared to keep the Congress party at arm's length."

The resolution also noted that the "Centre is organising an economic blockade by refusing licenses to private firms and withholding investments in the state to demonstrate to the people that the left front is too helpless to do anything for them" and went on to add, "It will suit its game exceedingly well if the left front refuses to touch or encourage any capitalist venture."

The deliberations came to an end today with the congress adopting the organisational report and it will formally close with an open session at the Brigade parade ground here tomorrow which will be addressed by several central leaders of the party.

The congress also adopted a resolution condemning the shift in the economic policies of the Union government, moved by Dr. Ashok Mitra, the resolution feared that the "inevitable result of these policies will be loss of jobs for lakhs of workers, liquidation of a large number of small and medium industries and a crisis in the balance of payments position leading to a debt trap and destruction of the technological base built up over the years."

Central Committee Enlarged

Calcutta THE STATESMAN in English 30 Dec 85 p 1

[Text] The delegate session of the 12th party congress of the CPI(M) concluded at the Salt Lake stadium on Sunday night by deciding to double the strength of the party's central committee, enlarge the Politburo and re-elect Mr E.M.S. Namboodiripad as the General Secretary.

The congress unanimously elected 66 members to the new central committee and kept four seats vacant to be filled up later. The previous committee had 35 members. The new committee re-elected Mr Namboodiripad general secretary for the third term and elected a 10-member Politburo.

The size of the Politburo was enlarged from eight to 10 members by the induction of Mr Saroj Mukherjee and Mr V.S. Achuthanandan, general secretaries of the party's two most powerful State units--West Bengal and Kerala. Senior party leaders said that the entry of these two leaders would enrich the Politburo.

Briefing the Press about the newly constituted central committee and Politburo, Mr Harkishen Singh Surjeet said that the two bodies had been enlarged to strengthen the party centre. The tasks facing the party all over the country had also been taken into consideration. While four members of the previous central committee--Mr P. Ramamurthy, Mr Krishnapada Ghosh, Mr Chandubhai Patel and Mr K. Ramaraj--have not found place in the new committee. The rest of the 35 committee members have been re-elected. The congress elected 24 other members who were in the previous committee as special invitees.

Seven new members, including Mr Anil Biswas, Mr Biplab Dasgupta and Mr Hannan Moliah, all from West Bengal, were elected to the new committee, Mr Surjeet said that the new committee was a combination of young and old.

Half the members were comparatively young. The objective was to initiate younger leaders into positions of importance in the organization. He said that the panel of names that had been proposed for the central committee had been unanimously approved by the delegates. The four old committee members had retired on health grounds and because of "language problems."

Mr Surjeet said that many of the new members elected to the committee were general secretaries or held important positions in the State units of the party. Care had been taken to see that the new members were representative of the all-India character of the party. Mr Surjeet parried a question when asked whether members from the West Bengal unit would be the dominant force in the new committee. However, he said that since the party was strongest in West Bengal it had found adequate representation in the new committee.

One of the first tasks of the new central committee would be to finalize the political and organizational report adopted at the congress incorporating the various suggestions made in consonance with the direction of the report.

Report on Economic Resolution

Calcutta THE STATESMAN in English 30 Dec 85 p 9

[Text] The 12th congress of the CPI(M) at Salt Lake stadium, Calcutta, on Sunday passed a resolution expressing grave concern about recent trends in the Centre's economic policy which "are taking the country towards greater privatization, opening doors to multinational corporations, downgrading the role of the public sector and scuttling whatever planning we have had." The resolution was moved by Mr Ashok Mitra, West Bengal's Finance Minister.

According to the resolution, these policies will further lower the living standards of the people and increase "imperialist penetration" into the economy. The shift in the economic policy was exemplified, it said, in the new computer policy introduced in November 1984, the Union Budget for 1985-86, the import-export policy, the textile policy and the recent long-term fiscal policy.

These policies relaxed industrial licensing and FERA regulations, raised the limits on the MRTP companies, reduced the taxes on corporate income and wealth and liberalized imports. These policies led also to the curtailment of public sector outlays, the resolution allege.

According to the CPI(M) these policies closely conformed to the strategy advocated by such "imperialist agencies" as the World Bank and the International Monetary Fund. It argued that handicapped by a limited domestic market, the Indian "big bourgeoisie" was now looking for export markets for which it sought the help of "metropolitan capital" and the latter's modern technology. The world capital, in turn, was demanding a "price" in the form of greater penetration in India's domestic market.

This phenomenon, the resolution feared, would lead to a "flood of imports" of luxury goods, capital goods and technology, causing massive displacements of workers from jobs.

The resolution criticized the Seventh Plan for its total neglect of land reforms which, according to the CPI(M) were a pre-requisite for economic uplift of the masses. The Plan document came under attack at the party congress for projecting an "absurdly high" rate of growth of exports and the low rate of growth of imports, "despite the massive import liberalization." The projections "deliberately underestimated" the crisis in India's balance of payments position.

The party ridiculed the claims in the Plan document that 40 million new jobs would be created during the next five years and that the percentage of the people in "abject poverty" would be lowered from the 37 at present to 27. It called upon the Left and democratic forces to expose the "dangerous implications" of the new economic policy.

30 Dec Rally Reported

Calcutta THE STATESMAN in English 31 Dec 85 p 1

[Text] Addressing a huge gathering at Calcutta's Brigade Parade Ground on Monday to mark the end of the five-day 12th congress of the party, CPI(M) leaders warned the people against fresh attacks on their democratic rights by the Congress(I) Government in Delhi. They called upon "secular and democratic" forces to unite to fight and defeat the Congress(I) wherever they could.

The sprawling ground overflowed with party supporters from all over the country. Streams of people collected there since Sunday night in colourful processions and hundreds of buses and trucks. Roads leading to the ground were all lined with red party flags and large cut-outs of the hammer and sickle. Red banners, festoons and tableaux stood above a veritable sea of human heads, not only on the ground, but in adjoining areas as well. The gathering was clearly much larger than the one addressed by Indira Gandhi and Mujibur Rahaman after the liberation of Bangladesh. Perhaps the only gathering in the recent history of Calcutta which was larger was than Monday's was the one organized to greet Bulganin and Krushchev in 1955.

As the meeting ended and the people lit hundreds of torches with papers, several outstation delegates to the party congress scrambled up a raised platform to have an overview of the crowd.

Dangers

Addressing the rally, Mr E.M.S. Namboodiripad, general secretary of the party, alleged that the Congress(I) was incapable of solving the country's problems and preserving its integrity. Referring to Congress(I) leaders' "talks of dangers of casteism, communalism and regionalism," he said that

the party had always joined hands with these forces to remain in power. This had happened in Kerala and since then in Assam, Tripura, Punjab and Gujarat.

Gujarat, according to him, was burning today because the Congress(I) had raised the reservation issue there on the eve of the elections to set one community against another. Referring to the unruly incidents in the just-concluded centenary celebrations of the Congress(I) in Bombay, Mr Namboodiripad alleged that it was no longer the party it used to be. "It is now a collection of self-seeking individuals who want to remain in power through fair means or foul." It was the Leftists who, he claimed, has inherited "all that was noble and lofty" in the Congress in its days of anti-imperialist struggle.

The party general secretary attributed the "authoritarian" tendencies of the Centre to its failure to solve the worsening problems of the country. "Even Congressmen admit that during the 39 years of its rule the lot of the common people has gone from bad to worse." He referred to the Prime Minister, Mr Rajiv Gandhi's disapproval of the criticism against the Seventh Plan by Mr Jyoti Basu and Mr Nripen Chakraborty, Chief Ministers of West Bengal and Tripura, at the last meeting of the National Development Council and said that the way Mr Gandhi had asked the two if they wanted to "opt out of the Plan" was "nothing but plan authoritarianism." Both Mr Namboodiripad and Mr Saroj Mukherjee, secretary of the West Bengal unit of the party, however, pledged the CPI(M)'s support to the Congress(I) on international issues such as non-alignment.

Economic Policy

Mr Jyoti Basu, West Bengal's Chief Minister, expressed the fear that the new economic policy of the Centre would lead to job shrinkage and finally repression by the working class. The new policy would encourage exports and in the process further starve the domestic market. Even after six five-year Plans, popular suffering had increased. The Congress, according to him, did not care because it represented the "small class of the bourgeoisie."

Mr Basu also ridiculed Mr Rajiv Gandhi's call for revamping the Congress(I). What has happened in Bombay was "a shame," he said. The party which had not had "democracy within itself" for 15 years could not secure democracy in the country. Taking advantage of the frustration of the unemployed youth, the Congress (I) had made "anti-socials" of a large number of them, he alleged.

The Chief Minister reiterated allegations of the Centre's discrimination against West Bengal. "They did not give us the electronics unit at Salt Lake, the petrochemicals at Haldia for a long time and the railway projects they promised before the 1984 Lok Sabha polls. Delhi also made it difficult for the State to get licences for industries. But "we would never surrender our self-respect to Delhi," he remarked.

In an obvious reference to the CPI, Mr Basu said that "some of our friends" had criticized the State's joint ventures with the private sector, "as if the multinationals were pouring into West Bengal." He contended that no new multinational firm had ventured into the State. Given the Centre's "hostile attitude" would the State say "no" to the private sector if it offered to set up new units, he asked. "It is easy to say, 'Don't do this or that.' But will our friends tell us what to do (to create new jobs)." he retorted at the recent criticism of the CPI against the joint ventures in the State. Mr Basu was "confident" that the Left Front Government would be able to hold the private sector in check in such joint ventures.

Listing the State Government's "achievements" in spreading mass education, maintaining communal harmony and ushering in land reforms, Mr Basu called upon the people to preserve the Government. For the Left Front Government stood for the democratic people, not only of West Bengal or Tripura, but of the entire country. "We are always under attack--from the bourgeoisie, its parties and the Press. But you and our party give us strength and hope. As there now is no village in the State without a primary school, see that there is no village without a unit in our party," he told the gathering.

Mr B.T. Ranadive, a member of the Politburo, said some people had thought Mr Rajiv Gandhi's "succession" in Delhi would usher in improvements for the country. But the CPI(M), according to him, predicted "it is the old company with a new actor." He feared that all the "propaganda for modernism" would ultimately lead to "insecurity of jobs for the present generation and no jobs for the next." When the people faced the situation and rose against it, there would be far more repression than at present. He also accused the Congress(I) of reducing the country to a state in which regionalism and the "sons of the soil" theory had all but submerged the national identity.

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CSO: 4600/1326

DMK PRESENTS MEMORANDUM TO SAKARIA COMMISSION

Madras THE HINDU in English 31 Dec 85 p 12

[Text]

MADRAS, Dec. 30.

In its memorandum presented to the Sarkaria Commission on Centre-State relations here today, the Dravida Munnetra Kazhagam (DMK) demanded removal from the Constitution those Articles which provided for the imposition of President's rule in States dismissing elected governments.

"As there is no provision for President's rule at the Centre, there must not be any provision for President's rule in the States, and the much-misused Articles like 356, 357, 360 and 365 should be deleted," asserted the party.

A 7-member delegation of DMK, led by its Treasurer, Mr. S. J. Sadiq Pasha tendered evidence before the Commission at the Secretariat. Copies of the memorandum were released to the press by the DMK president, Mr. M. Karunanidhi, at a press conference.

The party reiterated its stand that the office of Governor should be abolished as in its view it was a legacy of British colonialism and the method of appointment made it an anachronism in a democratic set up.

Recalling the dismissal of the DMK Government in 1976, the memorandum alleged that though it was said that the Centre did so on the report of the Governor, the report was prepared and kept at New Delhi and the Governor was later summoned to affix his signature after the proclamation was issued by the President under Article 356.

Emphasising the federal character of the country, the party maintained that "federal polity for India is an inevitability as it provides a chance of linking union with diversity as the democratic alternative." In a federation, the Union and the States must have freedom from mutual control and encroachment in the determination of their policies and the way in which they would be implemented.

"This freedom is the soul of federalism; we call this freedom autonomy and it should not be confused with separation involving secession".

National unity: Affirming the party's belief that national unity should be based on State Autonomy, the memorandum said, national unity and provincial autonomy must not be thought of as competitors for the citizens' allegiance; they were but two facets of the same thing, the same federal system.

Political autonomy for the States would be useless unless it was backed by adequate fiscal autonomy and financial resources. Regionalism was not anti-national; regionalism and sub-regionalism were recognised in the Constitution.

The party opposed the constitutional declaration that "the official language of the Union shall be Hindi" as also the directive for the development of the Hindi language. "A regional language like Hindi should not be chosen and crowned with the status of the official language of the Union," it said pointing out that the people of Tamil Nadu had been fighting for the last 50 years against Hindi domination in one form or other.

Expressing fears over the possibility of Hindi being made the sole official language of the country, the party demanded deletion of the provisions giving special status to Hindi. It wanted that all the languages specified in the Eighth Schedule be made as Official Languages of the Union; till it was achieved English should continue as the official language of the Union.

Divisive factor: "We strongly believe that Hindi is a divisive factor and our hard-won national integrity would meet its Waterloo on the day if any fanatic, by mistake or by scheme, makes Hindi as the Official Language", warned the party.

It also submitted to the Commission a detailed note setting its views on State autonomy and the recommendations of the Rajamannar Committee on Centre-State relations which the party had set up in 1971 when the DMK was in power in Tamil Nadu.

The memorandum explained how the Centre, through the various amendments to the Constitution from time to time, had taken away "the little powers" that had been given to the States. Without any amendment of the Constitution, "Industries" had been virtually transformed from a State subject into a Union subject, with the result the Centre had extended its control to as much as 93 per cent of industries in terms of the value of their output. "It is imperative that the States should regain their legitimate powers over industries and commerce."

Cultural invasion: The transfer of "education" from the State List of the Concurrent List, in the DMK's view, was a cultural invasion by the Centre. With this weapon on hand the Centre was planning to open Central Schools in every district, "perhaps with a view to impose Hindi and cater to the needs of the elite".

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CSO: 4600/1329

SARKARIA DISCUSSES WORK OF CENTER-STATE COMMISSION

Bombay THE TIMES OF INDIA in English 1 Jan 86 p 1

[Text] Madras, December 31--The states had genuine problems in financial spheres, Mr Justice R.S. Sarkaria, who heads the three-member commission on Centre-state relations, told newsmen here today.

The demands made by the different states varied immensely, but one thing they all wanted was substantially more powers, he said.

The commission completed its sitting here today. Tamil Nadu was the 14th state visited by the commission, from among 16 states which it has received memoranda. The states that have not responded to its questionnaire are Punjab, Jammu and Kashmir, Sikkim, Rajasthan and Gujarat. The commission is yet to visit Haryana. It will have its two-day sitting in Pondicherry from tomorrow.

Mr Sarkaria said the commission discussed issues relating to Centre-state relations with a wide cross-section of people in Tamil Nadu, among them lawyers, educationists, economists, former governors and former chief ministers.

Asked about the issues raised by the Tamil Nadu government, all he wanted to say was that it had taken pains to reply in great detail. No other state had perhaps done so.

The views of the government were not made available to newsmen. Answering questions, Mr Sarkaria said one issue raised by the state government was that the constitution had worked in the last 35 years in a manner that led to over-Centralisation. The Centre had intruded into their sphere of activity through the instrumentality of the planning commission. Instances of agriculture, fisheries and animal husbandry were given to substantiate their argument.

The state governments wanted to look after these subjects with the planning commission providing the necessary funds. But they were not in a position to complain.

Asked whether the commission would consider abolition of the planning commission, Mr Sarkaria said the panel would study functional and structural aspects of the planning commission.

The Sarkaria commission would not make an interim report but it hoped to complete its report by June next year, when its term would get over, he said.

Asked whether the commission recommended holding of a new constituent assembly every 50 years or so, Mr Sarkaria pointed out that there had been 52 amendments to the constitution in 35 years. Bit by bit the whole constitution might be changed that way, he quipped.

Mr Sarkaria said some states, other than Tamil Nadu had also expressed their views on Hindi being the sole official language of the country. He, however, declined to name the states or what they had said on the "imposition" of Hindi.

Much of what the parties interviewed by the commission so far had said was meant for the press, public and their constituencies and not really for the commission, he remarked.

On the abolition of the post of governor, Mr Sarkaria said some states had made suggestions about an alternative to the institution of governor. Only one state had not done so. Abolition of the post of governor was outside the province of the commission. The governor, he pointed out, played a dual role.

The governor was a dynamic link between the Centre and the states. The governor might not be the agent of the Centre except in one or two cases where the constitution required him to be so.

He said that the commission had sought the views of the Centre also, "but they have not come to discuss with us." However, the commission would like to hear the views of the Centre as it wanted to know the other side of the picture also.

Inter-state water disputes were within the ambit of the commission's terms of reference, he said in reply to a question.

Asked whether the commission would consider the feasibility of the presidential form of government for the country, Mr Sarkaria said anything which was fundamental to the constitution could not be changed.

He told a questioner that the commission had made a thorough study of the recommendations of the Rajamannar commission (appointed by the DMK government in 1971 to study Centre-state relations), the administrative reforms commission as also reports of the U.S. standing commission on inter-governmental relations and the Royal commission of Canada.

The deadline for submission of the commission's report had to be extended as the states fought shy and had to be prodded to give their views, Mr Sarkaria said.

If the states which had not submitted their views kept mum, "we proceed ex parte and best judgment basis," he said. The task of the commission was complex in nature and wide in magnitude, he added.

The commission was in the city since December 25. Today, Mr M.G. Ramachandran, chief minister, accompanied by his 22 cabinet colleagues (two others, Mr S. Ramachandran, electricity minister, and Mr Y.S.M. Yusuf, minister for public works were not present) led evidence before the commission. The government's written submission is understood to have been based on the recommendations of a panel headed by the late Mr Justice Ramaprasad Rao which made an in-depth study of the Sarkaria commission's questionnaire.

The commission earlier heard the views of representatives of the DMK, Mr M.P. Sivagnanam, chairman of the legislative council, Mr M. Bakthavatsalam, former chief minister, and Mr C. Subramaniam, former Union minister and member of the constituent assembly, among 45 people who tendered evidence.

Mr Sarkaria said the commission had received 350 replies from all over the country to its questionnaire and had interviewed 650 people from all walks of life.

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CSO: 4600/1330

HOPES TO CONTRIBUTE TO PAKISTAN LIBERALIZATION NOTED

Madras THE HINDU in English 31 Dec 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Dec 30--The Government of India has refrained from commenting officially on the lifting of martial law in Pakistan, but the general feeling in Delhi is that Gen Zia-ul-Haq, who continues to retain his dual role as an "elected" President and self-appointed Chief of Army Staff has merely tried to put a civilian garb on his military rule.

But the Indian view is that any relaxation, however limited its scope, deserves to be welcomed despite the fact that Gen Zia has not restored the fundamental rights of his people. As the fountainhead of all effective power, he has left the political parties in no doubt whatsoever that the army will continue to exercise over-riding authority in one form or the other over the so-called civilian Government.

Disappointment: The new time-table for normalisation of Indo-Pakistan relations was carefully worked out by India on the eve of Gen Zia's recent visit to Delhi to initiate the process after the end of martial law to give a civilian flavour to it. But there is disappointment in Delhi that the Prime Minister, Mr Mohammed Khan Junejo and his civilian colleagues are no more than a front for the military rulers who continue to rule Pakistan.

It is not India's intention to stall the normalisation process all because Gen Zia has not transferred effective powers to the civilian Government. The Finance Minister, Mr V.P. Singh, will go to Islamabad as planned on January 8 to press for restoration of a measure of private trade between the two countries even if Pakistan is not inclined to remove all barriers at this stage.

New ideas: The Foreign Secretary, Mr Romesh Bhandari, who follows around the middle of January will go with some new ideas on merging the two drafts for a friendship treaty and a no-war pact to get over the two hurdles relating to bilateral settlement of all disputes including Kashmir and non-lease of military bases. The preambular aspects of the combined draft which will specially commit the two countries not to attack each other's nuclear installations will not pose any difficulties if the issue of bases is sorted out along with a firm commitment to the principle of bilateralism.

Thereafter the four sub-commissions will meet towards the end of January and in early February, two in Delhi and two in Islamabad, before the External Affairs Minister, Mr B.R. Bhagat, visits Pakistan to attend the ministerial meeting of the joint commission.

It is not India's intention to export democracy to Pakistan by upholding the cause of the political parties clamouring for a complete relaxation of the military grip over its Government. But it would like to contribute to the process of liberalisation by doing whatever it could to arrive at an understanding with the new civilian regime for improvement of Indo-Pakistan relations in areas that offer enough scope for normalisation although India is under no illusion that any qualitative changes can be brought about soon.

Careful watch: The policymakers in Delhi will continue to watch carefully how the people of Pakistan react to the limited restoration of civilian rule whether the disappointed political parties will reconcile themselves to the indefinite prolongation of Gen Zia's military dominance or they will resort to agitation to compel him to democratise the system. If the new Government responds in a positive spirit to the six-point normalisation programme agreed upon during Gen Zia's recent visit to Delhi, the Prime Minister, Mr Rajiv Gandhi, will adhere to his promise to pay a visit to Pakistan by May-June to keep up the atmosphere of conciliation.

In the last 37 years since partition, Pakistan has had civilian rule only during its first 11 years until Gen Ayub Khan seized power in 1958 followed by another spell of martial law under Gen Yahya Khan. After the Bangladesh debacle, Z.A. Bhutto succeeded in wresting power from this discredited dictator in early 1972 until he himself was overthrown in 1977 by Gen Zia who has been in power for the last eight and a half years with his own brand of military rule.

The country has had civilian Governments only during 17 years in all since its formation in 1947, while the army has been in power for the remaining 20 years in three instalments. And under Gen Zia's new dispensation, some of his trusted military colleagues are going to shed their uniforms and get installed in key positions in civilian clothes, wielding effective power from behind the scenes.

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CSO: 4600/1329

DELHI HAILS JAYEWARDENE DECISION ON BANDARANAIKE

Madras THE HINDU in English 2 Jan 86 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Jan. 1.

The Sri Lankan President, Mr. J. R. Jayewardene's decision to restore the suspended civil rights of the former Prime Minister, Mrs. Sirimavo Bandaranaike, has been welcomed in Delhi as a wise step that could contribute to a bipartisan policy by the Sinhala political leaders on the island's ethnic problem.

It is widely known that India has been urging Mr. Jayewardene privately to let Mrs. Bandaranaike get back to the political mainstream and play a part in paving the way for a peaceful settlement of the Tamils issue.

The suggestion was first made in 1983 and repeated at the highest level on every possible occasion to ensure that Mrs. Bandaranaike's Sri Lanka Freedom Party (SLFP) would not come in the way of any accord that might be reached by Mr. Jayewardene with Indian assistance. Though he had promised to restore her civil rights, the Sri Lankan President continued to vacillate for the last two and a half years on one pretext or the other, but, better late than never, he finally took the decision.

Informed of mediatory efforts: The Government of India has been keeping Mrs. Bandaranaike informed of its mediatory efforts at every stage to ensure that she did not publicly oppose any conciliatory moves of Mr. Jayewardene for settling the Tamils problem. But, in hoping to enlist her cooperation, Indian experts on Sri Lanka were under no illusion that she

would extend her unqualified support to any formula worked out by the Sri Lankan President with Indian cooperation.

"Come back to power": It is known in Delhi that right through this said period Mrs. Bandaranaike's strategy has been to first get her civil rights restored and then press for a general election in the name of any agreement that might be reached on the Tamils issue, ratified by the Sri Lankan people. She continues to hope that someday perhaps sooner than later, she might get back to power, as Indira Gandhi did in 1980 in somewhat different circumstances, by championing the cause of Sinhala nationalism.

It was during Mrs. Bandaranaike's rule that the Tamils problem was grossly mishandled by the Sri Lankan Government. She could not evade her share of responsibility for what happened after her defeat, since the ethnic conflict had already assumed ugly dimensions, before Mr. Jayewardene came to power and had to cope with this complex situation.

A reasonable settlement: But the Indian view is that if somehow Mr. Jayewardene and Mrs. Bandaranaike could be persuaded to adopt a bipartisan approach to the Tamil problem, it should be possible to bring about a reasonable settlement that would be fair to both the Sinhalese and the Tamils in a united Sri Lankan state. It is with this objective that India has been urging the Sri Lankan President to rescind the 1980 parliamentary resolution and restore Mrs. Bandaranaike's civil rights.

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CSO: 4600/1336

HARYANA CHIEF MINISTER TELLS STAND ON CHANDIGARH

New Delhi PATRIOT in English 1 Jan 86 p 1

[Text]

Chandigarh, Dec 31

Chief Minister Bhajan Lal today ruled out the possibility of implementation of the Rajiv-Longowal Accord in parts. He categorically said that Haryana would not accept such an implementation.

Whatever Punjab Akali leaders may say, there is no question of Chandigarh being unilaterally transferred to Punjab on 26 January even if the Mathew Commission did not give its award by that date. There was no such provision in the accord, he told newsmen here.

He said Haryana would never allow the transfer of Chandigarh till the Sutlej-Yamuna link canal was constructed in the Punjab territory and the waters started flowing. Construction of the canal was a question of life and death for Haryana.

The Chief Minister denied that either Punjab or Haryana ever made any request to the Mathew Commission for granting time to allow the two States to reach an out of the commission agreement. However, if the Prime Minister called any meeting of Punjab and Haryana Chief Ministers, he would be prepared to attend it and present the State's stand. Haryana wanted to live like a brother and had cordial relations with its neighbour Punjab, he said.

Mr Bhajan Lal said the intention of the Akalis with regard to the construction of the canal was doubtful. Even the Central team, which visited the site earlier this month had expressed its dissatisfaction with the progress of work. Haryana was linking the issue of completion of the canal with the transfer of

areas because of these doubtful intentions and also to ensure that the State got its due share. Haryana would not allow the "conspiracy" of the Akalis to succeed and that is why he was demanding the Central takeover of the construction of canal work.

The Chief Minister deprecated the statement of Punjab Finance Minister Balwant Singh which charged that Mr Bhajan Lal was sabotaging the accord. He said Haryana wanted to implement the accord in its true spirit but it would not allow the Akali "conspiracy" of getting Chandigarh and not construct the canal.

Answering questions, Mr Bhajan Lal said the Punjab Government could not hold the Republic Day celebrations in Chandigarh until its formal transfer. However, if the Punjab Government carried out its programme at one place, Haryana would do so at three different places.

The Chief Minister said he had forcefully voiced his stand at the recent Bombay Congress centenary session. He had made it categorically clear in the presence of the Prime Minister that the State would not tolerate any injustice. However, he said, Haryana's interests were safe in the hands of the Prime Minister who had recently assured the party MPs full protection.

Mr Bhajan Lal ridiculed the statement of Lok Dal chief Devi Lal who had said that he considered it below his dignity to talk to him over the question of the State's interests. "Mr Devi Lal is no match to me. What he said spoke of the bankruptcy of his mind", Mr Bhajan Lal said.

He claimed that he had all along been safeguarding the interests of Haryana ever since he came to power. He had been doing so even at the risk of his life. On the other hand, Mr Devi Lal had never even held talks with the Akalis when he was in power over the question of construction of the SYL canal.

Mr Bhajan Lal appealed to the Haryana Sangharsh Samiti to abandon its programme of 'Rasta roko' planned for 23 January. The programme would mean a lot of inconvenience to the people besides resulting in disturbance of peace. Nonetheless, he warned that no one would be allowed to take law into his hands and law and order would be maintained at all cost. He also appealed to the people not to be misled by "political gimmicks of the frustrated politicians". They should refrain from falling a prey to their designs.

To another question, he said the Centre would not take a unilateral stand on the transfer of Chandigarh to Punjab.

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CSO: 4600/1334

ENVOY IN COLOMBO GIVES MESSAGE TO JAYEWARDENE

New Delhi PATRIOT in English 1 Jan 86 p 8

[Text]

Colombo, Dec 31 (UNI)— India has urged Sri Lanka to give "early consideration" to the Tamil United Liberation Front's proposals to resolve the island's ethnic problem and offer a "meaningful compromise" responsive to the Tamils' aspirations.

India has, at the same time, reassured Sri Lanka that Prime Minister Rajiv Gandhi and the Government of India remained committed to cooperate with it in finding a political solution to the problem.

A message to this effect was understood to have been conveyed to President J R Jayewardene by Indian High Commissioner J N Dixit when he called on him yesterday. Mr Dixit had returned to the island on Saturday after consultations in New Delhi.

Mr Dixit stressed the need for a "compromise" to ensure emergence of a "durable and peaceful political solution" that could be implemented.

Informed diplomatic sources said that with India pressing the Sri Lanka Government for an early settlement of the protracted ethnic problem, talks in this re-

gard had reached a "crucial and critical stage".

Mr Jayewardene was understood to have informed the Indian High Commissioner that the Government was studying the TULF proposals.

On Mr Jayewardene's suggestion, Mr Dixit met National Security Minister Lalith Athulathmudali today for a more detailed exchange of views on the TULF proposals.

The TULF proposals have been with the Government since 12 December but with the Government categorically stating that there could be no compromise on the main proposal for the merger of the Tamil-dominated northern and eastern provinces, it would take considerable negotiating skill and a will to compromise to arrive at a formula acceptable to both sides, diplomatic sources observed.

After the Government conveys its reaction to the TULF proposals in the next few days, the TULF, on its part, is expected to hold discussions with other Tamil militant groups like the Eelam National Liberation Front and

the People's Liberation Organisation of Tamil Eelam to ascertain their views.

Meanwhile, Prime Minister Rajiv Gandhi's remark in a recent interview on the reported atrocities on the Tamil population by the security forces in the island has caused considerable concern and disquiet in Government circles here.

While a section of these circles feel that it was an indication of the hardening of India's attitude on the ethnic issue, others see it as an expression of Mr Gandhi's exasperation over the delay in resuming negotiations.

India's renewed efforts to reactivate the negotiating process, which had gone into doldrums after the working paper evolved by a Sri Lankan delegation in New Delhi was rejected by Tamils, come in the wake of reports of stepped-up operations by both the Tamil militants and the security forces in the north, which had been comparatively peaceful since a ceasefire was announced on 18 June.

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CSO: 4600/1334

STATISTICS ON 1984-85 FOODGRAIN PRODUCTION GIVEN

Calcutta THE TELEGRAPH in English 2 Jan 86 p 9

[Text]

New Delhi, Jan. 1: Despite severe drought in several parts of the country, the total foodgrains production in 1984-85 amounted to 146.22 million tonnes, it was officially stated here today.

In 1983-84, under favourable conditions, foodgrains production touched a record 152.37 million tonnes. The production during the five years from 1979-80 to 1983-84 increased by 3.49 per cent compared to the long-term annual growth rate of 2.59 per cent. This has been attributed to modern technology, scientific research and adequate inputs.

The production of oilseeds reached 13.09 million tonnes in 1984-85, exceeding the Sixth Plan target of 13 million tonnes. The total oilseeds yield in 1980-81 was 9.37 million tonnes. For 1985-86, the oilseeds production target has been fixed at 13.8 million tonnes and it is expected to touch 18 million tonnes by the end of the Seventh Plan.

Sugarcane and cotton too showed upward trends during this period. The total output of sugarcane rose from 154.24 million tonnes in 1980-81 to 173.56 million tonnes in 1984-85. During the same period, cotton production increased from seven million tonnes to 8.46 million tonnes.

Supply of essential inputs during 1985-86 has shown a marked upward trend. Fertiliser consumption went up from 82.11 lakh tonnes in 1984-85 to over 93 lakh tonnes during 1985-86. Similarly, the certified and quality seeds consumption is expected to go up by 7.25 lakh quintals in 1985-86 over the previous year's consumption of 82.11 lakh quintals.

In the fisheries sector, the total production during 1984-85 amounted to 28.4 lakh tonnes. As much as 5422 million of carp seeds were produced by March, 1985, 146 per cent more than the Sixth Plan target of 2200 million carp seeds.

In 1985, the rainbow trout was hatched and reared for the first time and the first commercial prawn hatchery was commissioned in Maharashtra.

To overcome constraints affecting production and productivity of rice in the eastern region comprising Assam, Bihar, Orissa, West Bengal, eastern Madhya Pradesh and eastern Uttar Pradesh, a special rice production programme was launched in 1985 to cover 20 blocks of each of these six states with an outlay of over Rs 26 crores.

Increasing productivity in the rainfed areas received special attention during 1985. In the first six months of the year, 73.21 lakh hectares were developed under the micro-watershed scheme and 11.41 lakh hectares of dry farming land was developed against the annual target of 10.70 lakh hectares.

A massive programme to assist small and marginal farmers has been launched to help them increase agricultural production in all the 5,000 blocks of the country. Under the programme, Rs 5 lakhs is earmarked for each block. Moreover, minikits of oilseeds, pulses and coarse grain are distributed free among the farmers. In 1984-85, nearly 28 lakh such minikits were distributed to promote larger production. The scheme, which is to be continued, has an outlay of Rs 500 crores in the Seventh Plan.

A comprehensive crop insurance scheme was launched in the year. The scheme, which covers paddy, wheat, millet, pulses and oilseeds to begin with, has already been adopted by 16 states and one Union territory from the kharif season of 1985.

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CSO: 4600/1335

PAPER COMMENTS ON REGIME'S FOREIGN POLICY

GF191532 London KEYHAN in Persian 16 Jan 86 p 1

[Commentary "Broken Wings But Aspiring To Fly"]

[Text] Tehran-Paris, KEYHAN NEWS SERVICE--The Islamic revolution has broken the high-flying wings of Iranian foreign policy which once was the most successful foreign policy in the world. Now, it aspires to fly with its wings broken. Such things are not very surprising from a regime which first destroyed its defense force, and then indulged in adventurism by exporting the revolution and fighting a war.

You cannot separate a government's foreign and domestic policies. Can anyone trust and have confidence in the foreign policy of a government--a government which does not come up to the real meaning of the word government--which does not have anything running in the proper order and does not know its responsibilities? This government does not even know who is making important political decisions in the Islamic Republic--are such decisions made in the Majlis, or is it the Ministry of Foreign Affairs, the residence of Ayatollah Montazeri, or the residence of the 'Imam? What can you expect from a regime whose leader does not know that the United States gained its independence only 200 years ago, or whose foreign policy commission does not know how long French socialism has existed?

Despite all this, the president of this regime, in an attempt to show that the regime has broken the chains of international isolation, has undertaken long and extended journeys. One can understand his visits to Pakistan and the PDRY, but what is the purpose of his visits of Angola and Mozambique? These two countries have nothing in common with Iran.

Khamene'i recently visited Libya, Syria, and Algeria. As far as we know, the Islamic Republic gained nothing from this trip while the Arabs gained every concession that they desired. It is but natural that when you turn a country into a milk cow, everyone wants to milk it. The regime has given \$1 billion worth of oil free to Syria, and it has signed a \$3 billion industrial and commercial agreement with Turkey without having any share in nonoil exports to Turkey. The policy of "neither West nor East" has so far been interpreted as meaning that both the West and the East can exploit as much as they can from a country which possesses venomous teeth but has no brain.

Emami-Kashani, the temporary Friday imam of Tehran and spokesman for the Guardian Council, once said that the policy of neither West nor East has been adopted because it is a good slogan, but nobody knows its meaning. There is no more clear-cut argument for the foreign policy of the regime being hollow than this; moreover, especially when such a hollow policy has been devised by the head of the regime.

In any case, if the president, the majlis speaker, or any other official are invited for visits and are given VIP treatment, then it is only because of the importance of Iran as a country which, unfortunately, through a sinister incident has fallen into the hands of those who read pilgrimage prayers and who write amulets for others.

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CSO: 4640/168

PAPER REFUTES MAHDAVI-KANI'S PROSPECTS AS FUTURE LEADER

GF210809 London KEYHAN in Persian 16 Jan 86 p 6

[Editorial: "A 7-Year Temptation"]

[Text] One of the temptations for some countries in analysing the situation in Iran has been and is to lay their hopes on a person or persons who could open a way within the regime toward "balance and moderation."

During the Carter administration, the United States suffered from this illusion more than any other country. Carter and his colleagues hoped that a sublime, immaculate, democratic regime would come out of the womb of a revolution based on lies, tricks and corruption. They tested several persons in the framework of this hope--Bazargan, Qotbzadeh, Bani-Sadr, and finally Beheshti. The result is known to all.

On the other hand, the Soviet Union thought that a reactionary revolution looking for the fulfillment of its aspirations and ideals in an era of ignorance might suddenly, as if by a miracle, come out as a progressive movement, in other words, an "anti-imperialist" movement. But today we see Gromyko, during his reception party for Saddam Husayn, the leader of the Iraqi Ba'th party, attacking the Tehran clergy and calling them "petrified and revengeful."

In view of this, could anybody say that the superpowers have now realised that nothing can come of the Khomeyni revolution except crisis and unrest?

Unfortunately, the answer is no. There are still those who, either through ignorance or selfishness, insist that the Iranian nation is fit only to be ruled by ignorant, ambitious, and tyrannical clergymen. Even now there are so-called experts and political specialists both in the east and the west who hope that the ayatollahs' regime will in the long run fund its feet and go along with the present day world. The latest leader of this group is the so-called "moderate leader of the future in Iran"--Ayatollah Mohammad Reza Mahdavi-Kani, who recently carried out some confidential talks in England. Mahdavi's message to the west is: Support me so that I may control the situation at an opportune moment and suppress the hawks.

The so-called experts and specialists in politics who take Mahdavi-Kani seriously and consider him a "hope" for the future and a "star shining above the

Islamic world" say: The difference between Mahdavi-Kani and people like Bazargan, Qotbzadeh and Bani-Sadr is that he has roots within the revolution. Bazargan, Qotbzadeh and Bani-Sadr did not have any personality by themselves; with the backing of Khomeyni, they made themselves felt for a short time only. Mahdavi-Kani, on the other hand, had found a place for himself among the clergy years before the revolution, and today also--after Khomeyni and Montazeri--he is considered a prominent cleric within the ayatollah's regime. In other words, Mahdavi-Kani is following the same path as that adopted by Beheshti.

In the face of this apparently logical analysis, some points must be taken into account: first, the path that Beheshti took ended in the cemetery and garbage bin of history. Why should Mahdavi-Kani, who was considered to be one of Beheshti's lackeys, achieve more successes than his master? Second, the Khomeyni regime does not depend on individuals and is completely fundamentalist. This regime cannot be reformed and saved with good will, intellect and wisdom. Even the best goodwill and the most expert politicians cannot save a building from falling if it is built on a faulty foundation. Third, there is no doubt that at the beginning of the Islamic revolution the clergy found a foothold in the masses. The Islamic revolution was one hundred percent the creation of Khomeyni and his supporters, and this foothold has disappeared in recent days. The fact that these ruling ayatollahs do not allow even their friends like Bazargan to express their views even on the smallest of matters is in itself proof of their proof of their political isolation. Therefore, Mahdavi-Kani and other clerics like him are no longer representatives of a major socio-political force. They are members of a small group with only limited power who, by relying on the strength of bayonets and oil income and by taking advantage of the current differences among their opponents, are temporarily continuing to run the various government organs.

Let us suppose that the ayatollahs' regime finds its way out to its present cul-de-sac through the help of the west or the east and also that Mahdavi-Kani, in the form of a new "strongman," brings stability to the regime. Again, the result would be the same, and the regime would get stuck in another cul-de-sac.

After 7-years of crisis and unrest in Iran, the superpowers should know that the policy of intervention in the domestic affairs of a revolution-stricken country will bring no result except more disappointment. The wisest thing internationally would be to let the Khomeyni regime die its natural death. Prolonging this era of the agony of death in the hope of some miracle by Mahdavi-Kani or by others like him would be nothing more than a dangerous ploy.

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CSO: 4640/168

BRIEFS

BILL ON DOCTORS' TRAINING--Tehran, January 21, IRNA--Iran's Majlis (Islamic Consultative Assembly) Tuesday passed a bill to promote the fair distribution of doctors after three sessions of deliberations. The bill states that medical students after completion of college will have to work for government agencies in deprived and rural areas for one and a half times the length of their studies. The average medical college program is six years here. Sixty percent of the students who enter medical college will be from the deprived areas which lack higher education in medicine, according to the bill. Iran's medical schools are located only in large cities. The largest medical community is in Tehran and several other industrial cities but small towns and villages in particular lack sufficient medical facilities and personnel. The bill also stipulates that new doctors spend their two year compulsory military service in deprived areas. War veterans and relatives of the martyrs or prisoners of war will make up 15 percent of the medical students, according to the bill. Iran's medical colleges have started taking some 4,000 students a year in the hope of bringing the medical profession to over 50,000 doctors within a decade. The bill allows the new doctors to have private practice in their free hours. The ministers of higher education and health are responsible for the implementation of the bill. [Text] [Tehran IRNA in English 1726 GMT 21 Jan 86 LD] /12912

REPAIR OF HIJACKED PLANE--Kuwait, January 19, IRNA--Iran has agreed to allow a team of Kuwaiti engineers to repair the Kuwaiti passenger plane "Kazamah" which was hijacked and brought to Tehran on December 4th 1984, a Kuwaiti Airline official announced here Sunday. The official said that the nine member team of Kuwaiti engineers would head for Tehran within the next 48 hours. He said that the team would carry out the repair work in two weeks time. Insurance companies have shouldered the repair expenses, the official said. [Text] [Tehran IRNA in English 1817 GMT 19 Jan 86 LD] /12913

CSO: 4600/207

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